KOHINOOR
TEXTILE MILLS LTD.

ANNUAL REPORT 2024

71 YEARS AND BEYOND
A LEGACY OF EXCELLENCE

At Kohinoor Textile Mills Limited (KTML), the journey from fiber to fabric has been one of continuous innovation and excellence. From the transformation of raw cotton into intricately woven textiles imbued with vibrant colors and remarkable designs, our mission has always been to bring vitality and joy to the lives of our stakeholders. For over seven decades, KTML has stood as a leader in Pakistan's textile industry, driven by a commitment to innovation, sustainability, and quality. Our fully integrated operations—from spinning and weaving to processing and stitching—set new benchmarks, not just in the local market but internationally, powered by advanced technology and the dedication of a skilled workforce.

As we mark 71 years of unwavering excellence, we remain focused on sustainable growth, contributing meaningfully to Pakistan's economy while empowering communities to achieve their aspirations. KTML's legacy is a unique blend of timeless craftsmanship and modern innovation, where the finest traditions meet cutting-edge advancements. Our story is one of resilience, progress, and an unshakable commitment to the future. With pride, we embrace our role in shaping the industry, knowing that the values we uphold today will define the path forward for generations to come.

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ABOUT THE REPORT

KOHINOOR TEXTILE MILLS LIMITED (KTML) corporate Annual Report 2024 covers the period from 1st July 2023 to 30th June 2024. All the activities and performance related data is related to KTML and its subsidiaries Maple Leaf Cement Factory Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited, Maple Leaf Industries Limited & Novacare Hospitals (Pvt.) Limited and does not include any information or data related to its associated companies unless where required by legal and corporate regulations.

Annual Report 2024 gives an introduction & overview about the principal activities of the Company. A very brief and comprehensive information has been provided about business review, future outlook of the Company along with Governance structure, risk management framework, Performance and future strategies of the Company. Economic, environmental and corporate social responsibility data is also presented for the better understandability of users of financial statements about the operations of the Company.

Financial statements that are an integral part of Annual Report 2024 have been prepared in compliance with provisions and directives of Companies Act, 2017 and Code of Corporate Governance Regulations, 2019. Independent auditor's report is also part of Annual Report 2024. There has been no change in the reporting period, boundary and scope of the Report.

This Annual Report is also available at: www.kmlg.com


www.prowhite.eu
PROWHITE

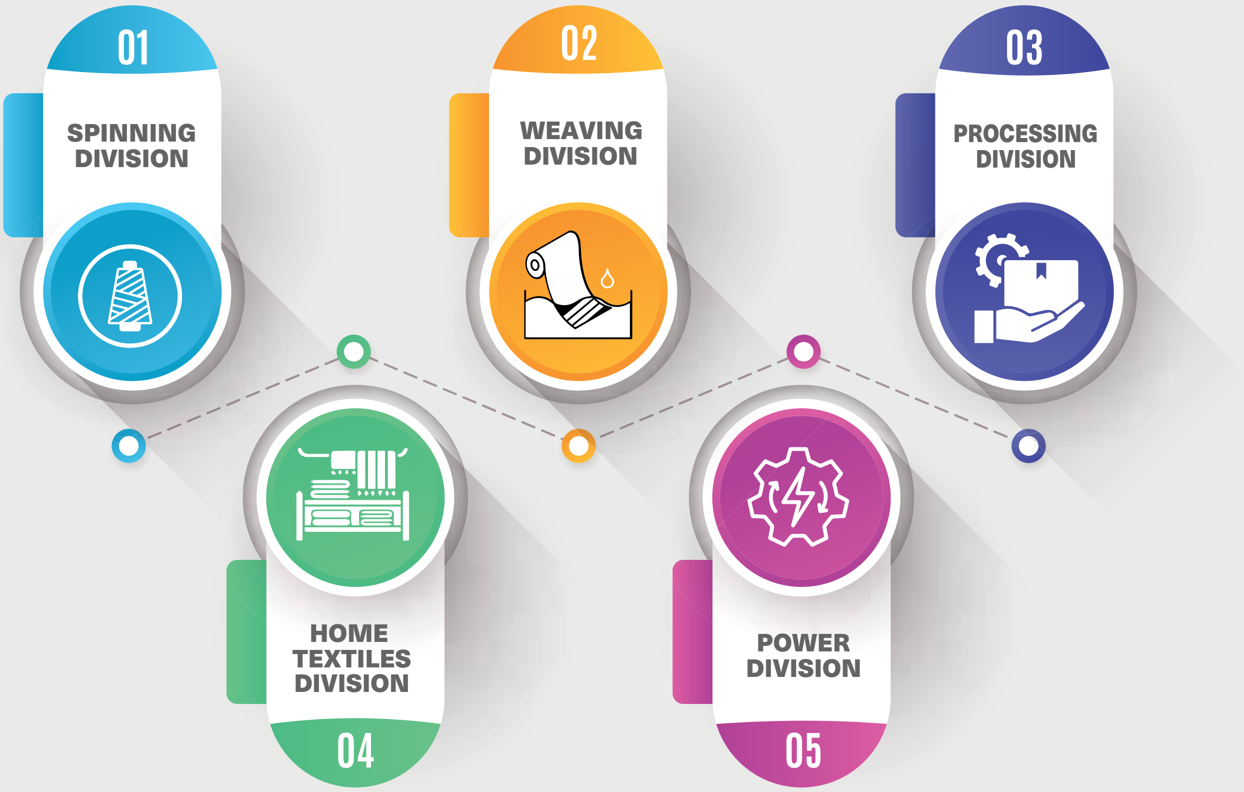
01 ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT

ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT

WWW.KMLG.COM/KTML

COMPANY PROFILE & PRINCIPAL BUSINESS ACTIVITIES

Kohinoor Textile Mills Limited ("The Company") commenced Textile Operations in 1953 as a Private Limited Company and transited into a Public Limited Company in 1968.



In pursuit of sustainable growth, the Company has strategically embraced a policy of horizontal integration encompassing spinning, weaving, processing, and home textiles activities with the aim of addressing the dynamic challenges posed by market. At present, the Company's spinning production facilities comprise 180,144 ring spindles, 768 MVS Spindles, 3,648 open end rotors capable of spinning a diverse range of yarn counts using cotton and synthetic fibers at Rawalpindi and Gujjar Khan along with 384 looms at Raiwind capable of weaving a wide range of griege fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics intended for the home textile market. The stitching facilities contribute to the production of a diverse range of home textiles for export. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access. Moreover, all three sites are fully equipped laboratory facilities for quality control and process optimization.

At Kohinoor Textile Mills Limited, we are steadfastly committed to sustainability initiatives. Our projects involve the micro grid systems (SACADA & third party controller), coal boiler on biomass fuel, ultra-filtration & sewage treatment plants and rain water harvesting lake. This endeavor signifies our dedication to responsible water management, allowing us to harness nature's gift for our operational needs. By capturing and storing rainwater, we aim to reduce our reliance on external water sources and contribute to conserving this precious resource.

On the other hand, in terms of reducing carbon footprint, producing 30MW of electricity through solar energy rather than furnace oil leads to an estimated decrease of around 57.48 Million pounds (equivalent to 28,740 tons) of carbon dioxide emissions annually.

LEADING EDGE PRODUCTION CAPABILITIES

The Company has been investing heavily in Information Technology, training of its human resources and preparing its management to meet the challenges of market integration. The Company continues to ensure that its current competitive position is maintained as well as supporting the ongoing improvement process in an endeavor to maintain world's best manufacturing practice. Operations of the Company are subject to different environmental and labour laws. The Company is fully complying with all applicable environmental, labour, corporate and other relevant legal laws.

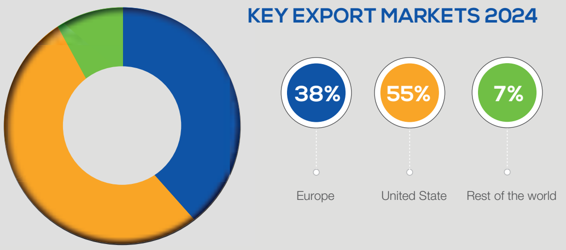
OUR PRODUCTS

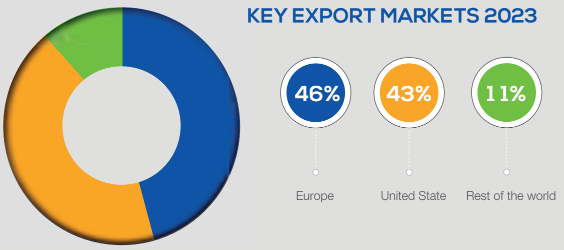
Product Portfolio – To cater the varying needs of the market, the Company produces the following products:

i) Yarn
ii) Greige Fabric
iii) Dyed and Printed Fabric
iv) Home Textile Products (Bed Linen, Quilting, Embroidery, Curtains, etc)

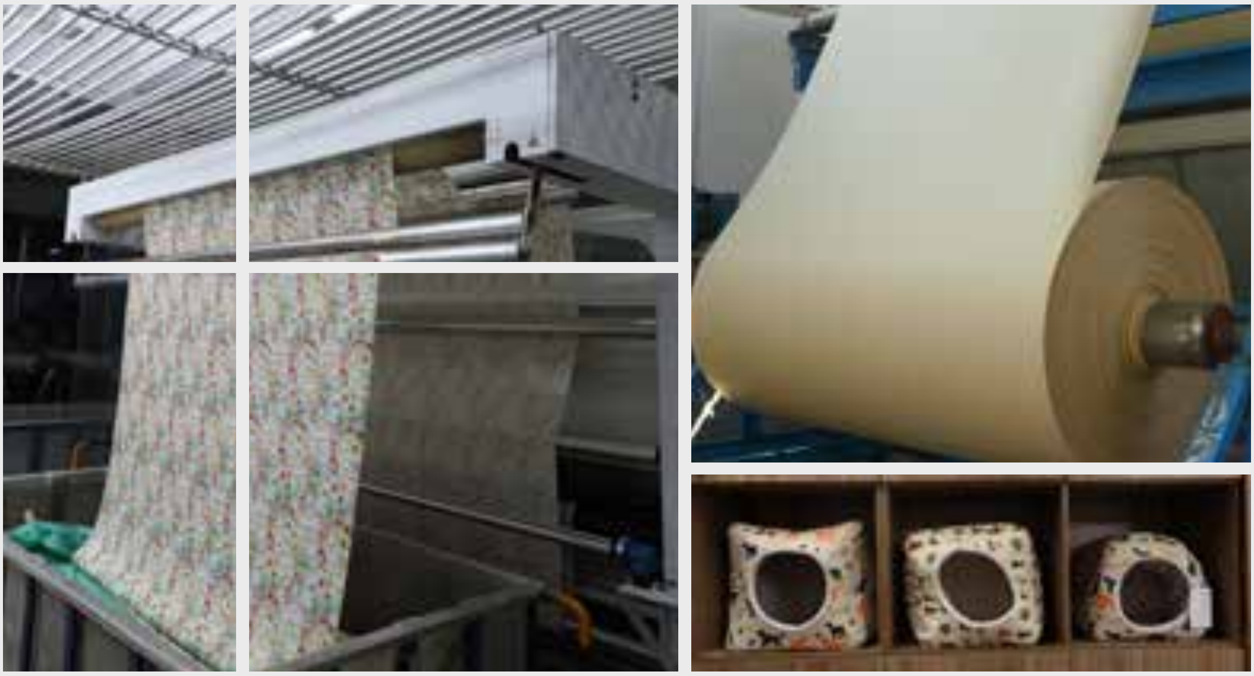
The Company sells its products to local as well as international markets. Finished products of home textile business are exported to mainly Europe, America, Canada, Australia, Asia and Africa.

YARN





GREIGE FABRIC



HOME TEXTILES

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 Amin Hashmi,
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
BankIslami Pakistan Limited
Bank Makramah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic 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

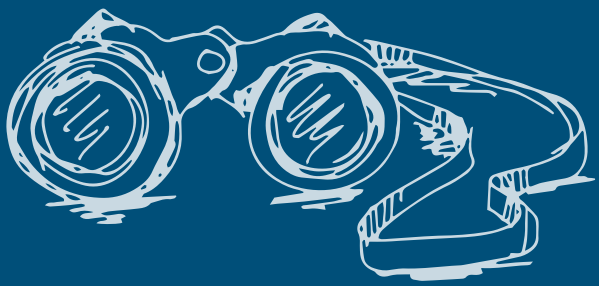
Gulyana Road, Gujar Khan,
District Rawalpindi
Tel: (0092-51) 3564472-74

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

Website:

www.kmlg.com/ktml

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



OUR VISION

The Kohinoor Textile Mills Limited stated vision is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders interest.

OUR MISSION

The Company shall achieve its mission through a continuous process of having sourced, developed, implemented and managed the best leading edge technology, industry best practice, human resource and innovative products and services and sold these to its customers, suppliers and stakeholders.

VALUES

Committed to leading textile innovation, we aim to leave an enduring mark on the industry worldwide. Cheers to the next chapter, built on a foundation of seven decades of unmatched quality and progress.

OUR VALUES

EMPATHY

We share each others' feelings and emotions, making us a stronger, more cohesive team; we communicate effectively and approach challenges collectively.

INTEGRITY

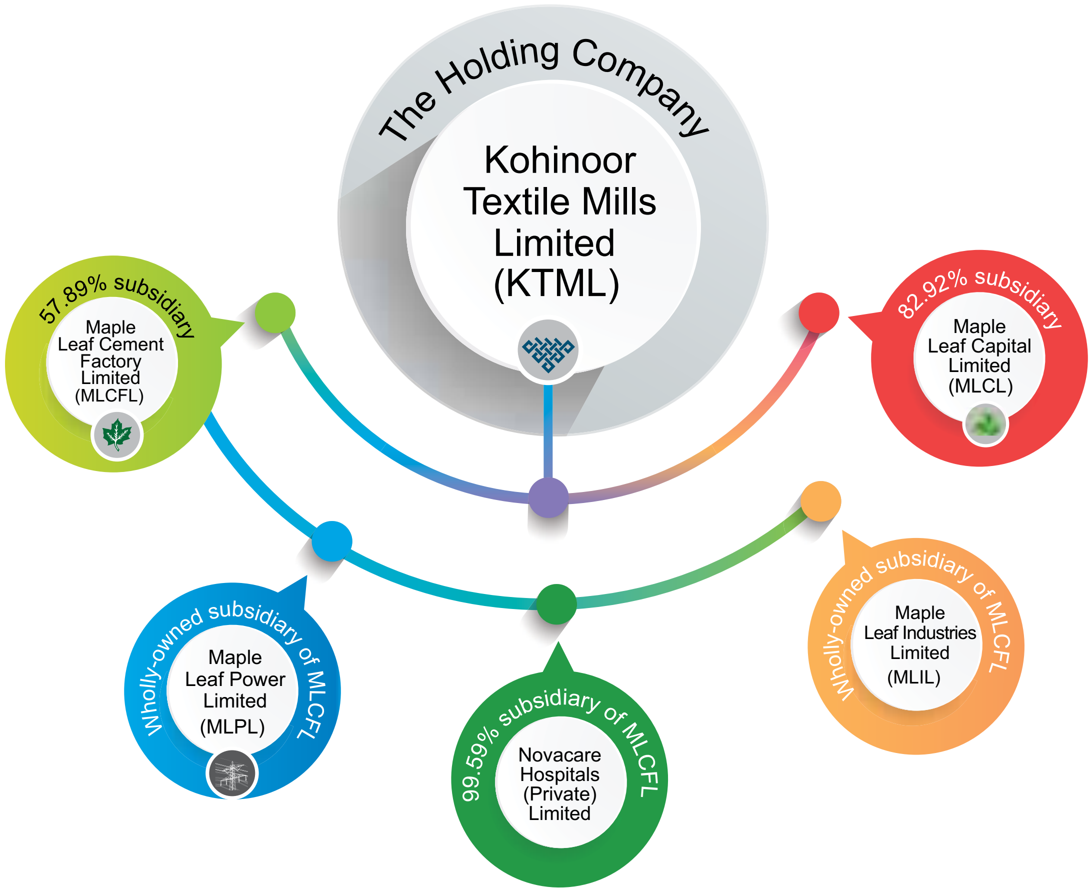
We ensure adherence to moral and ethical principles; we act with honesty, we do not compromise our values.

PASSION

It's about growth & success; we chase our goals and objectives (personal & professional) with the highest level of energy and enthusiasm.

GROUP STRUCTURE

The Company is a part of Kohinoor Maple Leaf Group (KMLG). KMLG structure comprises of two listed public limited companies i.e. Kohinoor Textile Mills Limited (KTML) and Maple Leaf Cement Factory Limited (MLCFL) and three unlisted public limited companies i.e. Maple Leaf Capital Limited (MLCL), Maple Leaf Power Limited (MLPL) and Maple Leaf Industries Limited (MLIL).



Kohinoor Textile Mills Limited is a parent Company of other four below mentioned Companies. The initial capacity of its Rawalpindi Unit comprised 25,000 spindles. Later, fabric processing facilities were added and spinning capacity was augmented. Additional production facilities were acquired on the Raiwind-Manga Road near Lahore in District Kasur and on the Gulyana Road near Gujar Khan, by way of merger.

Maple Leaf Cement Factory Limited (MLCFL) 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. The Company is listed on Pakistan Stock Exchange. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

Maple Leaf Power Limited (MLPL) a wholly owned subsidiary of MLCFL, an unlisted public limited company, has established a 40 MW Coal Fired Power Plant at Iskanderabad, District Mianwali which has successfully started its commercial production on 12th October 2017. The project was completed within budget and as per the planned timelines. The principal activity of MLPL is to generate, purchase, transform, distribute and supply electric power to MLCFL. The project has added another reliable and inexpensive source of power compared to the national grid and has reduced dependency on the same.

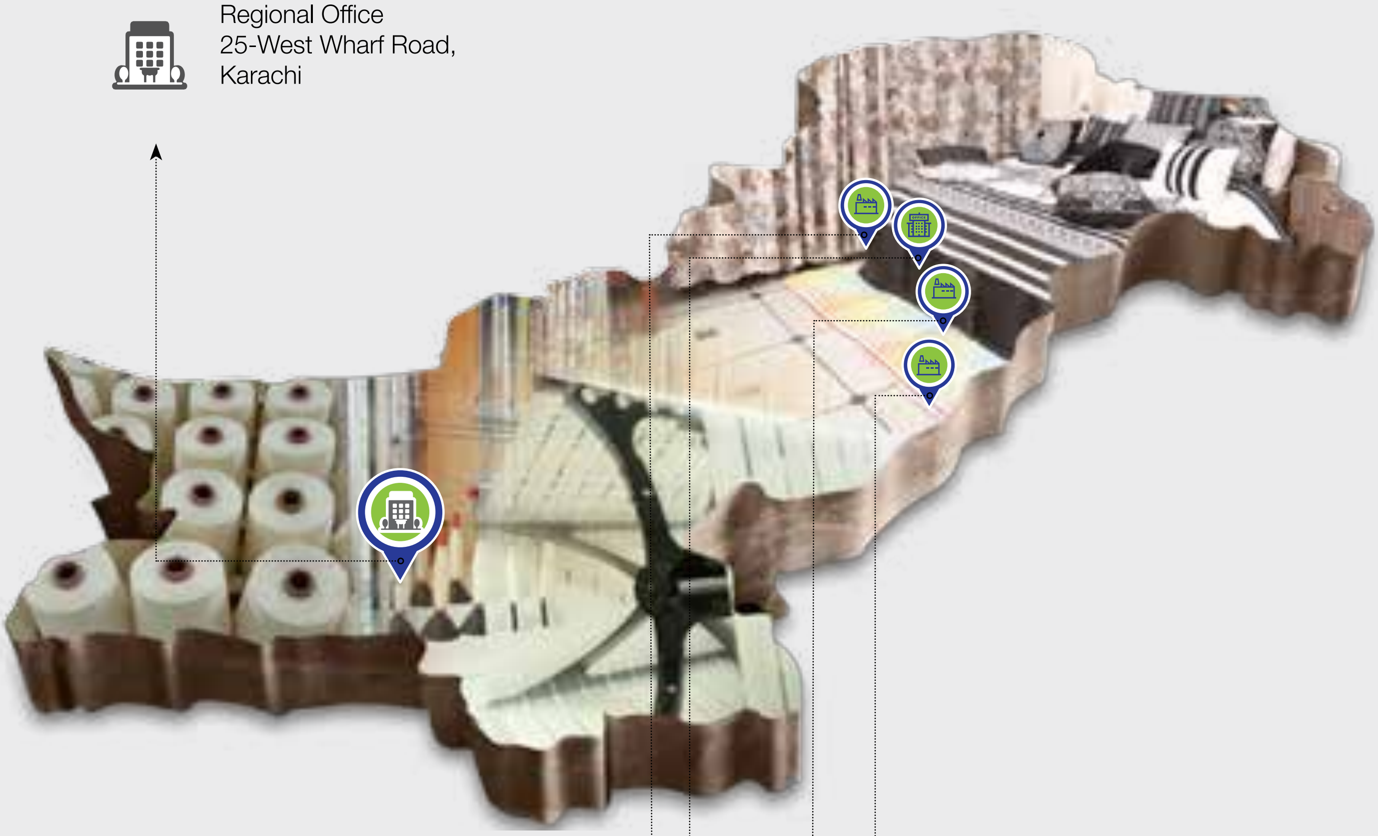
Maple Leaf Capital Limited (MLCL) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance 1984 (now the Companies Act, 2017) as a public company limited by shares. The principal object of MLCL is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments. MLCL is a subsidiary of KTML.

Maple Leaf Industries Limited (MLIL) 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.

Novacare Hospitals (Private) Limited (Novacare) was established in Pakistan on March 21, 2023, as a private company limited by shares under the Companies Act, 2017, by Andalus Holdings (ADGM) Limited ("Andalus") through its representatives Mr. Faraz Minai and Mr. Ghalib Hafiz. the MLCFL, along with any of its affiliates, acts as an investor in Novacare according to the term sheet signed on May 10, 2023. Currently, the MLCFL holds 1,200,000 Class B ordinary shares valued at Rs 100 each. These shares come with both voting and dividend rights and will be converted into Class A ordinary shares on the 7th anniversary of the MLCFL investment in Novacare. According to the term sheet, the MLCFL cannot sell, transfer, or encumber these shares without Andalus's prior consent. Additionally, the MLCFL is prohibited from directly or indirectly competing with Novacare, which includes holding more than 29% of equity capital or voting rights in any business operating in the healthcare sector. The MLCFL's shareholding in Novacare will not drop below 66.66% at any time.

GEOGRAPHICAL PRESENCE

Regional Office
25-West Wharf Road,
Karachi



Mills
Gulyana Road,
Gujar Khan,
Rawalpindi

Mills
Peshawar Road,
Rawalpindi

Head office
42 - Lawrence
Road, Lahore

Mills
8 K.M., Manga Raiwind
Road, District: Kasur

ORGANIZATION CHART

Legends

CFO : Chief Financial Officer
GM : General Manager
BPR : Business Process Re-engineering
TQM : Total Quality Management
SOP : Standard Operating Procedure

Administrative Reporting
Functional Reporting

ANNUAL PERFORMANCE REVIEW

During the year, the Company's overall profitability remained at levels recorded last year, despite dramatically increased finance costs and energy rates. The impact of higher costs was somewhat offset by increased output as new equipment came on stream and capacity utilization improved at the various divisions. Not all the divisions were able to perform to optimum levels owing to the continued slowdown.

Consolidated Sales & profit of the Group increased by 19.68% and 68.43% over previous year. Net profit of Company's subsidiary Maple Leaf Cement Factory Limited (MLCFL) increased by 17.38%, whereas net profit of Company's subsidiary Maple Leaf Capital Limited (MLCL) substantially increased by 934% as compared to previous year.

PERFORMANCE OVERVIEW OF ACTIVITIES, PRODUCTS, SERVICES, & SEGMENTS

The Company's business is primarily divided into three reportable segments i.e. Spinning, Weaving and Processing & Home Textile.

The results of the Spinning divisions dipped slightly owing to high energy costs but were buoyed by increased capacities driving sales. However, the higher finance costs ultimately drove down after-tax profits.

The results of the Weaving division are the same as those of the previous year. The division showed a large increase in revenue driven by export growth and increased capacity utilization. These increases were offset by huge increases in finance costs driven by high interest rates.

Revenue of Home Textile division has showed a significant increase, as export sales showed 39% increase in value terms and 36% increase in sales volume over previous year.

Further, during the year the Company has incurred CAPEX of Rs. 3.3 billion, with notable amount being spent on the expansion of spinning segment and investment in Solar power plant. This will reap benefits to the Company in the coming years.

VALUE CHAIN ANALYSIS

KTML's principal business activity is to produce and sell yarn, greige cloth and home textile products. Manufacturing in textile involves blending of cotton, yarn, cloth, dyes & chemicals and various types of stitching accessories through various processes to achieve the desired output. To maintain machines operative at plant throughout the year, electricity is a vital component. KTML has its own captive power generation unit to supply electricity without any disruption. Power generation in KTML has diversified portfolio ranging from National grid, Gas/HFO based generations as well as solar based power generation. On the upstream part of value chain, raw material for manufacturing includes local and imported cotton and man-made fiber etc., which are mainly arranged from best cotton producing areas in the country and from international markets as well. Being a leading textile based group in Pakistan, KTML enjoys very strong relationships with suppliers in both markets.

KTML has invested heavily in maintaining a smooth flow of operations. The company has implemented a proactive approach to mitigate its risk of disruptions in the production process. Project Management Committee (PMC) is specialized in using various maintenance techniques such as predictive, preventive and proactive maintenance to keep in pace all the machinery and equipment for their adequate functionality and to increase cost effectiveness, machine uptime, and a greater understanding of the level of risk that the organization is presently managing. At KTML, the production and quality inspection processes are strictly monitored by highly qualified specialists, to ensure that the best possible products are manufactured for our valued customer. Facilitating downstream along the value chain, KTML has an efficient marketing team which has close ties with our valued customers. Customers are always our first priority. We obtain regular feedback from them regarding our products and for complaints / suggestions if any, and these are addressed by top management directly.

CUSTOMER LANDSCAPING AND MARKET POSITIONING

Threat of new competition

Threat of new competition is high as Pakistan is a country which has its major dependency in textile. Furthermore, threats from international markets are also high. In order to remain competitive, it is compulsory for the organization to remain updated in respect of newer technologies and customers' requirements to produce high quality products at minimum cost.

Threat from substitute products

To say that, textiles has decorated the world today won't be an overstatement. The beauty and colours which we find around us is just because of innovative and attractive textile products. From a commercial perspective there are no direct substitutes to textile, so threat from substitute products is not present at the moment.

Bargaining power of customers

Bargaining power of customers is high as there is an intense threat of competition. Further technology and ever changing fashion trends has made operations of the textile more complex. In such rapid changing circumstances, only that venture may succeed who react proactively. In order to tap this risk factor, KTML has established an in house product development department who have the expertise to offer new designs and various types of product formations to address the changing customers' requirements in an efficient way.

Bargaining power of suppliers

It is common practice for large manufacturing concerns to enjoy a wide supplier base who are eager to do business with it, KTML being no exception. The company has been doing business with a huge list of approved vendors, having a history of professional business ethics, to maintain a healthy competition.

Thus the Company enjoys the healthy bargaining powers keeping the business norms intact. The Company has an extensive vendor selection process in place which is supervised by the Audit Department to ensure transparency and fairness. It is against policy to accept goods or services from unapproved vendors. Raw material is obtained from local as well as from international markets. Extensive LC lines are opened to facilitate ease of business with foreign parties, whereas fuel and other input costs are undertaken after extensive market research and negotiations to protect Company's interests.

Intensity of competitive rivalry

Competitive forces are fairly strong in the textile sector which consists of rival companies aggressively competing with one another on price and market share. The textile companies are geographically situated all over in Pakistan that results in intensification of competition as far as market share and price are concerned. KTML has been working a lot to maintain its brand loyalty, market expansion, efficient supply chain and being the first preference of customers regarding its superior quality products.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

The Company's major business is derived from the manufacturing and sale of yarn. During this year, the demand and supply in the cotton and related markets noticed significant fluctuation from time to time, but the management met this fluctuation by efficient procurement of local & imported cotton, including utilization of synthetic fiber as an alternate of organic cotton.

In export business, the sales get uplift during certain international events including Christmas, Easter and Halloween etc. however, the marketing team is engaged in executing regular trend analysis to pursue upcoming demand well before these international festivals.

The Company also manages seasonality through proper inventory management and production.

KEY ELEMENTS OF BUSINESS MODEL

KTML's principal business activity is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products. Following are the key elements of the business model:

Key Elements of Our Business	Model Relevance with Our Business Processes
Input Raw material	Cotton, Cotton Waste
Business Process	Spinning, Weaving, Processing and Stitching
Output	Yarn, Cloth, Home Textiles
Outcomes	Social and Economic Benefits and active contribution towards UN SDGs.

FACTORS EFFECTING EXTERNAL ENVIRONMENT

FACTOR	IMPACT	KTML RESPONSE
P POLITICAL	● Changes in Government's macroeconomic policies, applicable rules & regulations and political instability may adversely impact the Company's business.	● Strategic impact of changes in political horizon is carefully monitored by the management of the Company. ● Business analysis / projections are made on continuous basis so that operational decisions may be made more effectively. ● Corporate briefings and roadshows are conducted, both at national and international level, to mitigate the impact of Government policies and actions on the market capitalization of the company.

FACTOR	IMPACT	KTML RESPONSE
E ECONOMIC	● Exchange rate fluctuation, Price hikes in major input materials, comparatively low production of local cotton crop and increasing cost of energy may adversely impact the Company's business. ● The staggering rise in policy rates has significantly elevated both financial risk and finance cost.	● The Company met price hikes in input costs by efficient procurement of local & imported cotton, including utilization of synthetic fibre as an alternate of organic cotton to maintain core competitiveness. ● Investment into alternate energy sources like solar based power generation, including renewable energy sources to mitigate the effect of high energy prices. ● In addition various energy conservation measures, waste heat recovery boilers are also utilized. ● Effective inventory management by meticulously reviewing inventory holding periods. ● Deployed various cost reduction initiatives to control production and non-production related fixed costs. ● KTML have managed the financial risk via working capital management.

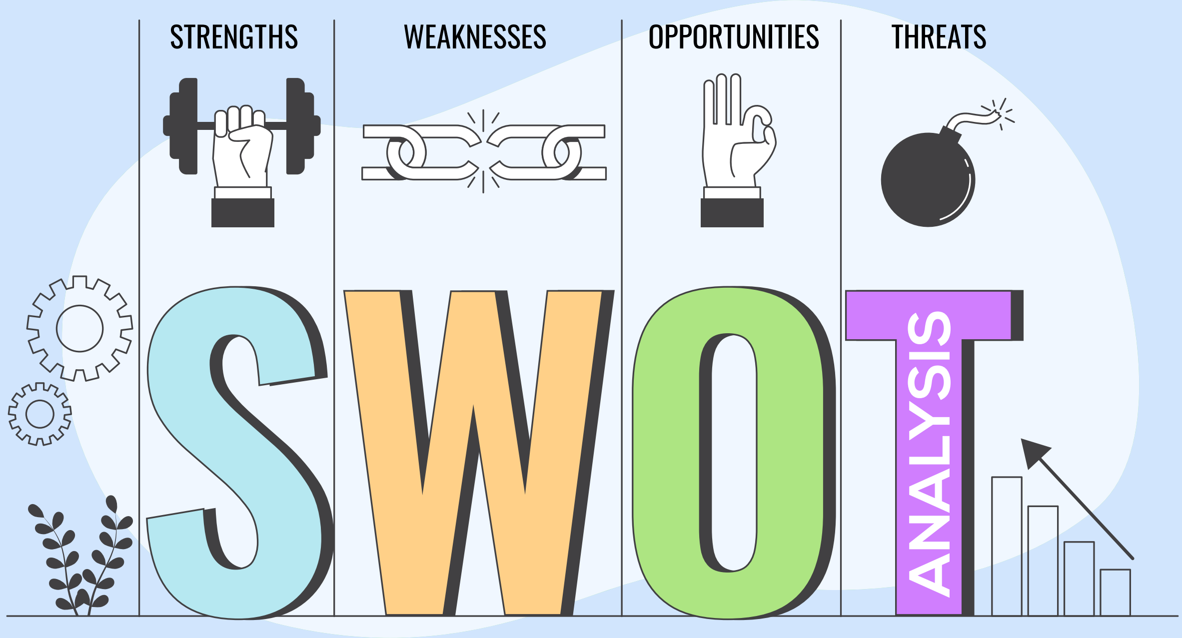
FACTOR	IMPACT	KTML RESPONSE
S SOCIAL	● Stakeholders show a preference for organizations that uphold CSR standards. ● Companies providing accessible healthcare and education facilities tend to experience improved employee retention rates. ● There is a noticeable shift in attitudes towards prioritizing the well-being of the wider public.	● The company is dedicated to meeting the standards of Corporate Social Responsibility. ● The Board has sanctioned the establishment of Al-Aleem Medical College within the Ghulab Devi Educational Complex, emphasizing the company's commitment to providing educational resources to the public. ● Additionally, the company has actively participated in medical social service initiatives. Notably, it generously endowed the Gulab Devi Chest Hospital in Lahore with a cutting-edge cardiac facility, known as the Sayeed Saigol Cardiac Complex.

FACTOR	IMPACT	KTML RESPONSE
T TECHNO-LOGY	• Outdatedness of production facilities in terms of technology. • Presence of information technology structures and Management Information Systems (MIS) software.	• Company has always given priority to latest technological developments and kept investing on Batch Maunfacturing Record (BMR) to avoid any risk of technical obsolescence. • Company continuously invests in the robust hardware and software for system up-gradation and MIS. • The Company has installed Oracle EBS Suit which facilitates financials and supply chain.

FACTOR	IMPACT	KTML RESPONSE
L LEGAL	• Perspective on and endorsement of renewable energy sources. • Addressing air pollution and the depletion of underground water reserves. • Increasing emphasis on environmentally-conscious behaviors	• Operating efficient wastewater treatment plant for safe industrial effluent discharge. • Enhancing operational efficiencies with solar-based power generation. • Implementing tree planting initiatives to reduce harmful gas emissions and maintain groundwater levels. • Certified to ISO 14001 and ISO 18001 standards for effective Environmental Management System (EMS) and Occupational Health and Safety Assessment.

FACTOR	IMPACT	KTML RESPONSE
E ENVIRONM-ENTAL	• Attitude towards and support for renewable energy. • Air pollution & Lowering of underground water belt. • Growing attention towards "green" attitudes	• Company is successfully operating waste water treatment plant to ensure the safe discharge of industrial effluents. • Solar based power generation has also augmented the operational efficiencies of the Company. • Planting trees to limit the emission of harmful gases in the atmosphere and to ensure maintenance and lifting up the underground water level by reducing the evaporation process. • The company has been approved to the standards of ISO 14001 and ISO 18001 for complying with an effective Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) requirements.

Note: In connection with risk and opportunities pertaining to the Company, Board's efforts for determining level of risk, Board's statement regarding robust assessment of risks, information about default in payment of any debt and inadequacy in capital structure have been covered in the Directors' Report.



At Kohinoor Textile Mills Limited (KTML), we employ the SWOT analysis as a strategic tool to align our strengths with potential opportunities and mitigate weaknesses to mitigate market and other external threats. The management at KTML regards the following aspects of the SWOT analysis as pertinent to our operations.

STRENGTHS

- Cutting-edge equipment for top-tier quality.
- Experienced, skilled management.
- Customer-centric approach.
- Strong local and global branding.
- Vertically integrated units for efficiency.
- Diverse fuel mix for optimal operation.
- Captive power production.
- Solar energy utilization.
- Efficient information systems.

WEAKNESSES

- Operating leverage is significant due to the capital-intensive nature of the industry.
- Challenges arise from delays in refund processing by regulatory departments.
- The efficiency of labor productivity is a key consideration.
- Infrastructure issues affect our operations

OPPORTUNITIES

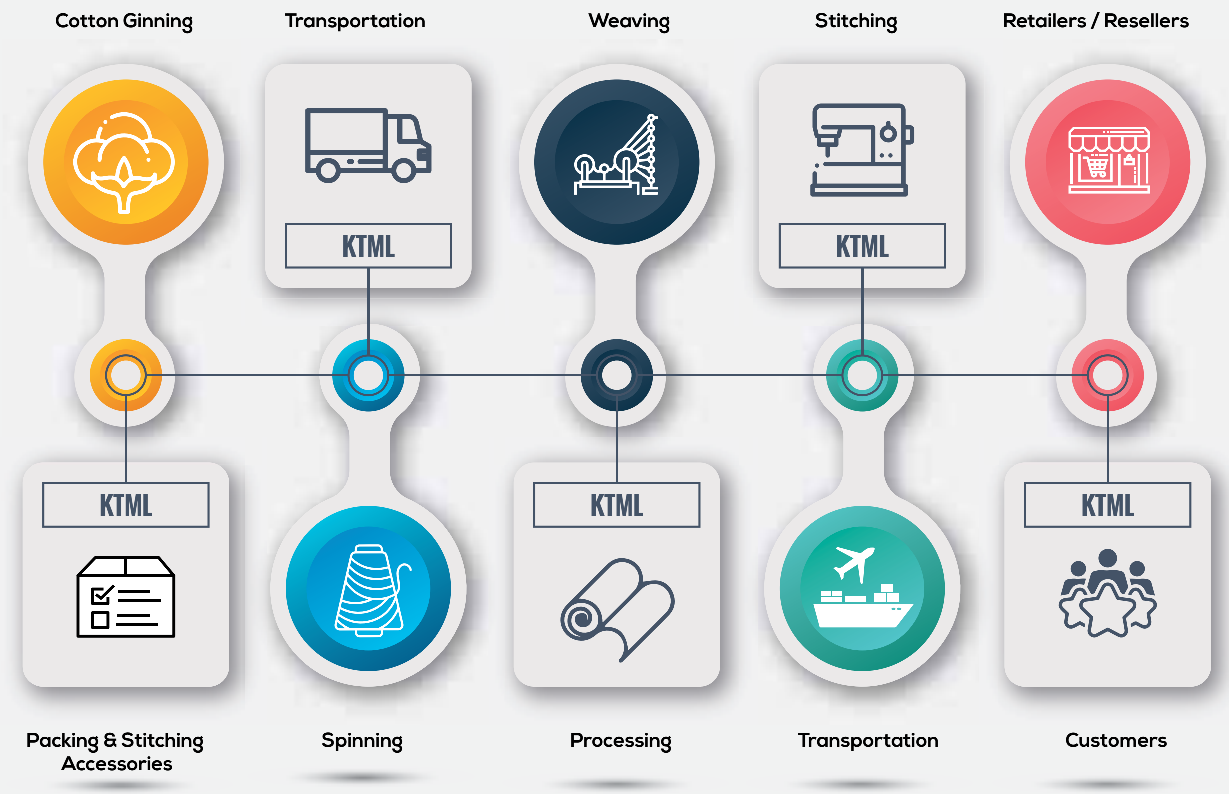
- Rupee devaluation is poised to enhance export revenue.
- There is an opportunity to diversify product offerings in emerging markets, both locally and abroad.
- A growing population is a catalyst for increased fabric demand.
- The Government's commitment ensures utilities are provided at controlled rates.
- Consideration is given to the reutilization of treated effluent.

THREATS

- Elevated costs for imported raw materials.
- Limited access to premium local cotton.
- Intense competition from textile-centric nations.
- A high tax burden on operations.
- Concerns over potential fuel price escalation.
- Economic and political instability poses a challenge.
- Reduced business activity due to stringent tax measures by the federal board of revenue.

POSITION IN VALUE CHAIN

Kohinoor Textile Mills Limited (KTML) operates as a vertically integrated unit, dedicated to providing superior-quality products to our valued customers. Upstream in our value chain are the activities involved in sourcing raw materials for production, while downstream operations focus on delivering finished goods to meet customer expectations. As the oldest textile manufacturer in Pakistan, KTML enjoys robust and mutually beneficial relationships with all critical stakeholders in the value chain. This places our company in the following position:



UPSTREAM

- Cotton Ginning
- Vendors of Allied Supplies (Packing & Stitching Accessories)
- Transportation

OPERATIONS

- Spinning
- Weaving
- Processing
- Stitching

DOWNSTREAM

- Transportation
- Retailers / Resellers
- Customers

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

The following principles constitute the code of conduct which all Directors and employees of Kohinoor Textile Mills Limited are required to apply in their daily work and observe in the conduct of Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies. Contravention is viewed as misconduct.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

ETHICAL PRINCIPLES

- Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/ services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

- Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.

- Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

- Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person. Nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

- All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

- The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

- Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

The significant events which occurred during the year ended June 30, 2024 and after the reporting period are as follows:

- Installation of another 384 MVS spindles in KTM Rawalpindi, which increased the capacity of spinning division.
- Addition of 936 open-end rotors in KTM spinning division.
- The installation of additional 15MW solar based power generation capacity.
- Energy prices remained high during the year, putting pressure on the profit margins.
- The Company has purchased an aggregate of 29,997,000 issued and paid up ordinary shares during the year for cancellation purpose, representing 10.023% of the issued ordinary and paid up share capital of the Company at the spot / current share price(s) prevailing during the purchase period from March 13, 2023 to August 28, 2023 through Pakistan Stock Exchange Limited, out of approved quantum of the purchase/ buy-back of 30,000,000 ordinary shares of the Company in the Extraordinary General Meeting held on March 03, 2023. The shares so bought were cancelled on 7th September 2023..
- Installation of 132/11.5KV B4 Industrial Grid Station.

THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

Kohinoor Textile Mills Limited (KTML) takes specific measures to understand the needs and interests of all its stakeholders. Through its innovative and industry leading practices it sets the industry trends for understanding and meeting the stakeholders' needs.

To continuously exceed the expectations of its customers, KTML provides consistent quality of products. KTML has invested in in-house Quality Assurance department which ensures that its products meet all the relevant product standards.

To timely update the shareholders of Company's performance and emerging trends, the Company issues its periodic financial statements publically together with directors' comments on performance and future outlook, on a timely basis. It holds investors' briefing sessions which address all the queries of the analysts.

We have developed multiple sources for supply of cotton, cotton waste and other materials which ensure that the Company receives uninterrupted supply of raw materials required for the production process.

The Company designs its CSR activities to have maximum impact on the communities in which it operates.

The Company contributes to the national exchequer by paying its share of due taxes on timely basis. Being one of the largest exporters, the Company regularly brings foreign exchange in the country to strengthen the country's reserves.

THE LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE ORGANIZATION OPERATES

Kohinoor Textile Mills Limited (KTML) operates in a tightly regulated environment due its scale of operations in a critical sector of the market and by virtue of being a publicly listed company. There is a plethora of regulatory compliances that have to be satisfied, and governmental authorities closely monitor the organization for any supposed infringements of the law.

Our Company usually deals with the following areas of the law on a regular basis:

- The Companies Act of 2017 which regulates the overall management of our Company.
- The Sales Tax Act of 1990 which regulates the rate of taxes on textile at the point of sale.
- The Federal Excise Act of 2005 which regulates the rate of excise duty on several products of textile.
- The Income Tax Ordinance of 2001 which levies taxes on the income generated from the business and operations of our Company.
- Labor and Employment laws which govern the rights of workers and obligations towards the employees of the Company.
- Various federal and provincial laws relating to the protection of Pakistan's environment.
- The Pakistan Stock Exchange Regulations which among other things regulates the workings of companies listed on the stock exchange, and the Listed Companies (Code of Corporate Governance) Regulations of 2017, which describe the procedures, formalities, composition, and technicalities of the management of publicly listed companies.

KTML prides itself on actively ensuring complete compliance with the law, and takes painstaking precautions to avert the risk of any liability arising due to a breach of any law.

THE POLITICAL ENVIRONMENT WHERE THE ORGANIZATION OPERATES AND OTHER COUNTRIES THAT MAY AFFECT THE ABILITY OF THE ORGANIZATION TO IMPLEMENT ITS STRATEGY

The political environment has an impact on the ability of any organization to implement its strategy. Political uncertainties negatively affect consumers, businesses, investors, financial markets and economic policymakers. Chronic political instability has hampered Pakistan's economic growth the most. Political compulsions under these circumstances have led to short-term macroeconomic policies and a more frequent change of policies than is desirable. The economic challenges facing the country including depleting foreign exchange reserves, soaring inflation and increasing interest rates lead to slowdown in economic activities. Accordingly, political instability on a domestic level together with economic challenges have an impact on Company's business.

SIGNIFICANT CHANGES FROM PRIOR YEARS

Following are the significant changes from previous year:

- Finance cost increased susbtantially due to higher policy rate through out the year.
- Increase in the energy prices due to the removal of subsidies from power tariff for industry by the government.
- Solar plant capacity expansions have increased the capacity from 14.45MW to 30MW.
- Expansion in plant capacities have also increased revenues.
- Installation of 132/11.5KV B4 Industrial Grid Station.

02 STRATEGY AND RESOURCE ALLOCATION



STRATEGY AND RESOURCE ALLOCATION

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STRATEGIC OBJECTIVES
2024-2025

SHORT TERM OBJECTIVES

Maintain competitiveness through the efficient utilisation of capacity and the cost-effective acquisition of resources.

MEDIUM TERM OBJECTIVES

Modernizing the production facility and capitalizing on economies of scale to make the organization able to lower costs while ensuring the delivery of high-quality products.

LONG TERM OBJECTIVES

The objective is to emphasize the importance of utilizing renewable energy sources to ensure a cost-effective and uninterrupted power supply. Additionally, the objective is to prioritize compliance with both international and local quality management standards and integrate.


1 2 3 4 5 6 7 8 9 9 8 7 6 5 4 3 2 1

STRATEGIES AND MANAGEMENT OBJECTIVES

Management has the objective to transform the culture of the Company into highly customer driven, empowered and cross functional focused Company in order to maximize the return for stakeholders. Management has the belief that Quality may not be achieved without implementation of Key Performance Indicators (KPI's) in all the critical, contemporary areas of performance. Total Quality Management (TQM) team has been formed to monitor the KPI's in all the key areas on continuous basis and make corrective actions instantly where required. We strive to achieve our objectives with collective wisdom and empathy. We believe that training was and will remain the source of all process driven thinking. Accordingly, trainings for management team have been regularly arranged during the year 2023-24 and will continue in the year 2024-25. We have framed well defined different teams to address the key areas like Team energy, Team strategy, Team Culture Development etc.

We have reduced variable cost due to efficient energy management and other cost reduction measures. The to-date result, financial and non-financial, are the reflection of achievement of management's objective which are strategically placed to increase the wealth of stakeholders. The said results are properly evaluated against the respective strategic objectives to confirm the achievement.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There is no material change in Company's objective and strategies from the previous year.

ENTITY'S SIGNIFICANT RESOURCES

Our resources mainly consist of human resource, financial resource, and technological resource. The Company assorted and hired team of professionals with enormous expertise in latest technologies who proficiently design the ways for improving and upgrading our production process, networking and control systems. We have developed a dedicated team to analyse the human resource right from selection till retirement. We believe in adding value to our human resource by extensive trainings and development program.

EFFECT OF TECHNOLOGICAL CHANGE ON THE COMPANY STRATEGY AND RESOURCE ALLOCATION.

Technological advancements in manufacturing management and information systems facilitate many changes in the textile industry. By improving the labor productivity and reducing overall manufacturing costs, KTML is perceiving the needs of wide spread customer base across the globe. Continuous BMR in KTML is another measure to ascertain that management is committed to deliver the most up to date products to its customers as per their requirements.

PROCESSES USED TO MAKE STRATEGIC DECISIONS AND TO ESTABLISH & MONITOR THE CULTURE OF THE ORGANIZATION.

KTML's strategic decision making process involves the identification of outcome, consideration for nature of problem, research for the problem, development of alternative solutions, consideration for pros & cons of each solution, selection of best solution and then execution of the best solution. In order to monitor the culture of the Company, Management at KTML use a range of tools, i.e., internal staff engagement surveys, "Pulse" surveys on specific topics, focus groups and interviews, exit interviews in addition to utilizing quantitative sources of data such as whistleblowing reports etc.

RESOURCE ALLOCATION

Unlocking and exploiting operational opportunities is an important aspect of Kohinoor entrepreneurial activities. We are committed to use existing products and new solutions to systematically enhance our growth and strengthen our position in global markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, we strengthened the basis for further growth in the coming years by making selective investments in our existing businesses and developing innovations that support in achievement of company's stated vision.

Key opportunity	Impact area	Strategy to materialize
Growing demand in local market Source: External	Social and relationship capital and Financial Capital	The Company has increased its capacity of fabric printing by adding a latest machine of digital printing technology.
Cost reduction by using innovative production technology. Source: Internal	Manufactured capital	The Company, realizing the importance of reducing electric costs, has an active waste heat recovery plant at site which converts heat from power engine into steam, which was previously lost, into energy. Furthermore, the 30-MW solar power plant provides free electricity to the Company.
Development of human relations/ resource. Source: Internal	Human capital	Development of human resource is engraved in the Company's mission statement & long-term objectives. Through extensive trainings and development programs, human resource capital is adding value to the Company with their professional ability, caliber and integrity
Improvements in the business process. Source: Internal	Financial capital	The Company can capture healthy profits through its ability to operate at maximum capacity, efficient cash management system, by making sound liquid investments and effective control over stock levels.

COMPANY'S STRATEGY ON MARKET DEVELOPMENT, PRODUCT & SERVICE DEVELOPMENT

The Company's strategy on market, product & service development is linked with the core business goals, where the main focus being on innovation and differentiation. The Company aims to enhance the product offerings by integrating advanced technologies, responding to customer feedback, and exploring new service models that meet evolving customer needs. The primary objective is to expand the customer base and increase revenue without losing good customers and markets. This could mean entering new geographical areas, targeting new demographic segments, or introducing products to the new customers.

At the same time, effective operation cycle is crucial for both market development, service and product management. An efficient value-chain ensures that the product is manufactured and delivered efficiently, and that customers are satisfied with their overall services / experiences. This can greatly influence the success of the market development strategy and the performance of the product in the market. By continuously refining its products and services, the Company seeks to maintain a competitive edge and drive sustainable growth in existing and new markets.

KEY PERFORMANCE INDICATORS (KPIs)

Following are some of the critical performance measures and indicators against stated objectives of the Company.

Sr. No.	Objectives	Measures
1	Effective use of available resources and improved capacity utilization of the Company's production facilities.	Efficient Production Planning and Control (PPC) department with responsibility to plan orders on timely basis in order to minimize the idle time.
2	Modernization of production facilities in order to ensure the most effective production.	Efficient and state of the art production and management information system.
3	Effective marketing and innovative concepts.	Increase in contribution margin and sales volume.
4	Strengthening independence in terms of secure supply of low-cost services and resources, including energy supply, transportation and logistics services.	Decrease in variable cost.
5	Explore alternative energy resources.	Reduced dependence on national grid by way of generation through furnace, gas and solar.
6	Further improvements in code of corporate governance through restructuring of assets and optimization of management processes.	Number of notices received from government.
7	Implementation of effective technical and human resource solutions. Personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.	Well organized Human Resource Department. Number of non-conformities raised.
8	Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.	Compliance with ISO requirements and specific requirements from various international customers.
9	Implementation of projects in social and economic development of communities.	Allocation of funds for CSR.

Management believes that current key performance measures continue to be relevant in future as well.

ALIGNING STRATEGIC OBJECTIVES WITH VISION & MISSION:

The linkage of strategic objectives with vision, mission and objectives is fundamental to the Company's success and sustainability. At KTML, strategic objectives are meticulously crafted to align with the core mission to manage a textile business entity aimed at producing quality products through innovative technology and effective resource management, maintaining high ethical and professional standards, and coming up to the expectations of all our customers. We strive to achieve the highest possible operating efficiencies and expand the business so that we are able to deliver maximum value to stakeholders.

Furthermore, the vision of the Company is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders interest, pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country's exports. This alignment fosters coherence and unity within the organization, enabling it to channel its resources and efforts effectively towards achieving its long-term goals.

SIGNIFICANT PLANS AND DECISIONS

The Company continues its investments in sustainability and renewable energy, with the commencement of a large-scale rain water harvesting project at its main manufacturing site in Rawalpindi. The first phase of solar energy project has been completed at the Rawalpindi and Gujar Khan site. Further management is continuing with its policy of renewal of plant, machinery and equipment, with emphasis on improving quality and increasing output in its Spinning divisions. Greater emphasis is being placed on increasing our value- added production in the Home Textiles division so increase in exports can be achieved in the coming years.

We have several exciting projects on the horizon like micro grid systems (SACADA & third party controller), coal boiler on biomass fuel, ultra-filtration & sewage treatment plants and rain water harvesting lake.

Additionally, we have undertaken the establishment of a 132/11.5KV B4 Industrial Grid Station. Moreover, our commitment to sustainable practices continues with the construction of another rainwater harvesting lake. This initiative exemplifies our dedication to responsible water management, allowing us to utilize this natural resource for our operational needs.

KEY RESOURCES WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

Kohinoor Textile Mills Limited (KTML), being one of the largest and oldest textile Company in Pakistan strives to efficiently deploy and manage its resources and capabilities to gain sustainable competitive advantage over its rivals. Following are some of the key resources and capabilities, which provide KTML sustainable competitive advantage:

REGULAR TECHNOLOGICAL UPGRADES

Technological advancements in manufacturing, management and information systems facilitate many changes in the textile industry by improving the labor productivity and reducing overall manufacturing costs. Management continuously investing considerable amounts for up gradation of technological infrastructure in order to remain competitive and cost efficient.

ENERGY EFFICIENCY AND REDUCTION OF CARBON FOOTPRINT

KTML focuses on energy conservation, operational efficiencies and carbon footprint reduction. Company's effluent emissions are regularly monitored. To reduce our environmental footprint KTML has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects of industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. Further, the Company remains committed to explore sustainable alternative energy sources which is evident from installation of 30 MW Solar based power project with more to come in future.

QUALITY CONTROL

The Company maintains its reputation as a high quality supplier which provides competitive advantage to the Company over its competitors. Fully equipped laboratory facilities for quality control and process optimization have been setup at all three sites of KTML. Quality control checks occur at all points in the production chain. The Company is ISO 9001:2015 certified and firmly believes in the necessity of Quality Management Systems.

ECONOMIES OF SCALE

The benefits of utilizing modern technology and latest infrastructure accrue in the form of lower costs of production. Our operational process cost is constantly reviewed to reduce the same on a sustainable basis and to bring in further efficiencies by process improvements.

HUMAN RESOURCES

Development of human resource is engraved in the Company's mission statement & long-term objectives. Through extensive trainings and development programs, KTML has developed the skill set of its human resources which play a vital role in providing it the sustainable advantage over its competitors.

SMART LOGISTICS SETUP AND SUPPLY-CHAIN MANAGEMENT

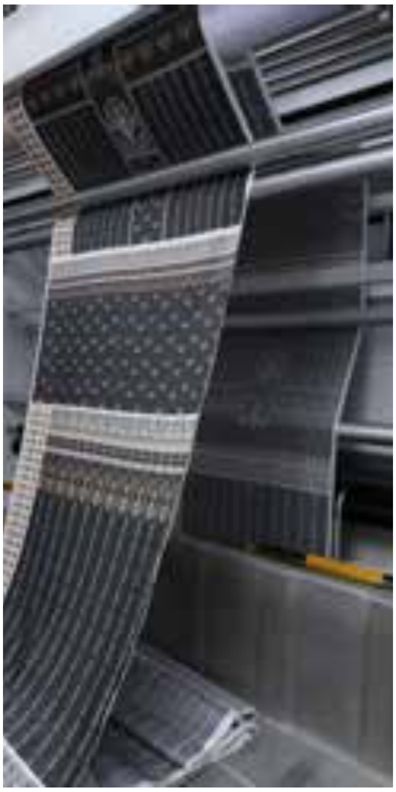
With a privileged range of business partners in every domain, our supply chain is a key source of competitive advantage for the business.

VALUE CREATED BY THE BUSINESS USING THESE RESOURCES AND CAPABILITIES

By using the resources and capabilities at its disposal, KTML creates value for its stakeholders in the following manner:

- Shareholders: Provide reasonable return on investment.
- Employees: Provision of safe and inclusive working environment. Exposure to new challenges to develop work-force.
- Customers: Provision of high quality products.
- Communities: Investment in health, education and skills development.
- Suppliers and service providers: Building long-term partnerships.
- Government: Contribution to national exchequer and generating economic value for the society.

03 RISKS, OPPORTUNITIES AND COMPLIANCE


RISKS AND OPPORTUNITIES AND COMPLIANCE

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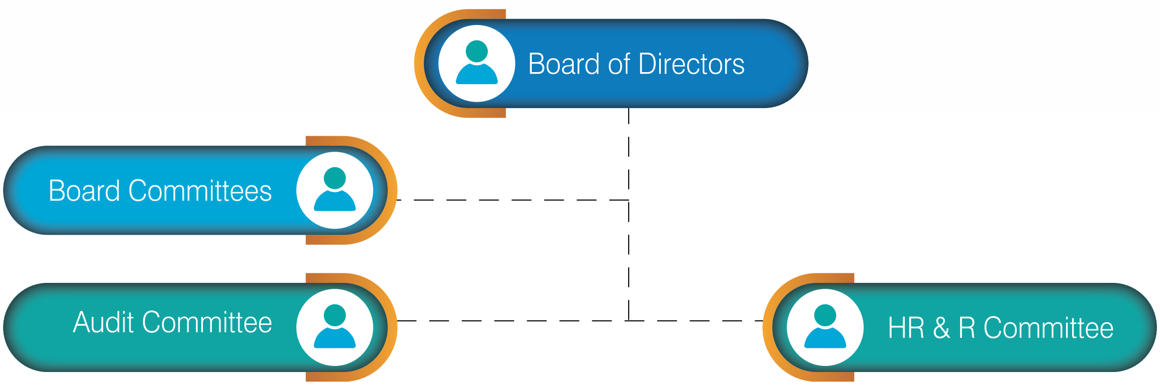
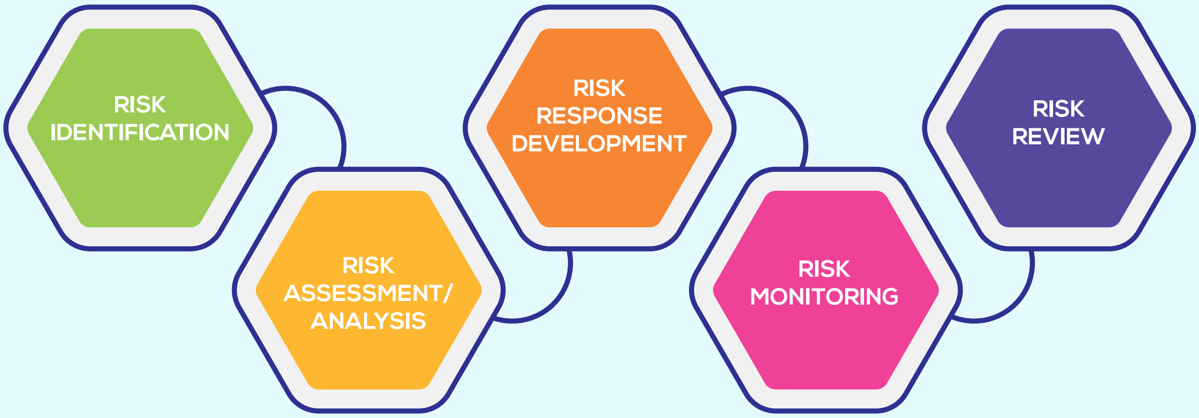
RISK MANAGEMENT FRAMEWORK INCLUDING RISK MANAGEMENT METHODOLOGY

RISK MANAGEMENT PLANNING:

Defining the scope and objectives of the risk process involves outlining the purpose and boundaries of risk management activities. This includes specifying the goals and desired outcomes. Additionally, it entails describing the techniques and tools to be used for risk assessment and mitigation, such as risk assessments, modeling, or simulations.



KTML's Risk management framework embodies the risk management process. Company's Risk management process is based on the following 5 principles.



- Risk identification: Comprehensively identifying and documenting all foreseeable risks that have the potential to impact objectives, while also including relevant information about their origins and potential consequences.

- Risk assessment/analysis: This process involves assessing each identified risk by estimating the likelihood of its occurrence and the potential severity of its impact. These assessments are used to prioritize risks for further examination. Risks may also be categorized to identify areas of heightened risk exposure or shared underlying causes. Furthermore, statistical models are employed to analyze how multiple risks collectively affect objectives.

- Risk response development: Evaluating how to address each specific risk and the overall risk exposure. This involves choosing a strategy that is both suitable for the risk and feasible within the organization's means. Additionally, assigning ownership of each response is a critical step in ensuring accountability and effective risk management.

- Risk monitoring: This process involves executing agreed-upon actions meticulously, continuously monitoring their impact on risk exposure, and disseminating relevant risk information to stakeholders with the appropriate level of detail and frequency that matches their needs and expectations.

- Risk review: This process entails revising the risk management procedure to evaluate the current status of pre-existing risks, ascertain the efficacy of established responses, pinpoint emerging risks, and conduct a comprehensive review of the overarching risk management framework.

THE RISK MANAGEMENT FRAMEWORK

The Risk Management Framework (RMF) is a structured and comprehensive process designed to identify potential threats to an organization and formulate strategies to eliminate or mitigate the impact of these risks. Additionally, it establishes mechanisms for the effective monitoring and evaluation of these strategies. Risk management is pivotal to the long-term sustainability of the organization and plays a key role in enhancing shareholder value. Consequently, it is rigorously enforced and embedded within the company's management system. The RMF is aligned with WHIPLC's operating model, adopting an integrated approach grounded in the three lines of defense. This structure facilitates the communication and escalation of risk and control-related matters across the organization.

RISK ASSESSMENT MATRIX

After conducting a thorough risk analysis, it is essential to define both the potential impact of the risks and the likelihood of their consequences in order to categorize them using a risk assessment matrix. In this matrix, risks classified as Low or Low-Medium are considered within the acceptable range and are given lower priority in risk management. Risks in the Medium and Medium-High categories necessitate the implementation of control measures to mitigate potential threats. However, risks classified as High require immediate attention and action to ensure the continued effective operation of the company.

Impact

Likelihood

	NEGLIGIBLE	MINOR	MODERATE	SIGNIFICANT	SEVERE
Very Likely	Low Med	Medium	Med High	High	High
Likely	Low	Low Med	Medium	Med High	High
Possible	Low	Low Med	Medium	Med High	Med High
Unlikely	Low	Low Med	Low Med	Medium	Med High
Very Unlikely	Low	Low	Low Med	Medium	Medium

RISKS AND OPPORTUNITIES ANALYSIS

OBJECTIVES

The Board of Directors is committed to minimize the risks and take advantage of potential opportunities to systematically and sustainably improve the value of the Company for all stakeholders. Management has adopted a risk management approach and internal control framework, based on its business philosophy and corporate objectives, which is explained below:

A. STRATEGY FORMULATION

Management reviews the Statement of Strategic Objectives annually that represent the Stakeholder's expectations and are the lead indicators for determining the success level of the Company. To materialize the objectives, Management adopts certain strategies. These strategies are approved by the Board of Directors and are subject to adjustment, depending upon any changes in the external business environment or internal organizational factors.

B. KEY RISKS AND OPPORTUNITIES OF CAPITALS

Form of Capital	Key Risk	Key opportunity	Time Horizon
Financial Capital	• Increased energy cost • Inflation	• Cost optimization • Renewable energy • Debt Management	Short to medium term
Human Capital	• High turnover	• Succession planning • Appraisal system	Short to medium term
Manufactured Capital	• Obsolescence of technology	• Adopting new technologies and continuous improvement in process	Long term
Social and Relationship	• Loss of stakeholders confidence, bad reputation	• Cultivating connections throughout the value chain and expanding the Company's portfolio.	Medium to long term
Natural Capital	• Water shortages	• Rain water harvesting and waste water treatment plant for recycling	Medium to long term

C. RISK ASSESSMENT

Initiating the risk assessment process, it's important to note that it's an ongoing effort that brings attention to various uncertainties. These uncertainties can pose potential threats that may hinder the Company's objectives. If left unaddressed, these risks can culminate in losses. These risks and uncertainties can emanate from both external and internal factors within the Company. The broad categories of risks that have the potential to impede the Company's operations are as follows:

RISKS TYPE	IMPLICATION
Strategic Risks	Strategic risks encompass the uncertainties and undiscovered opportunities inherent in a company's strategic goals. These risks are of paramount concern to the Board of Directors as they affect the entire business rather than being limited to a specific unit or department.
Commercial Risks	Commercial risks are the possible financial losses that can result from the actions or behaviors of trading partners or the conditions within the market where the Company conducts its business.
Operational Risks	Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.
Financial Risks	Financial risk is a comprehensive term that encompasses various types of risk related to aspects such as financing, profitability, liquidity, and credit within a business context.

D. MATERIALITY APPROACH

Management believes materiality as a key component of an effective communication with stakeholders. The management has adopted materiality approach which is based on a combination of stakeholder engagement, understanding of environmental limits and strategic alignment. It has made the process, assumptions and evidence base for identifying material issues for more transparent, credible and amenable disclosures to have more transparency on risk and opportunities.

Not being conclusive, management considers that following are the major risks which may affect the operations of the Company and mitigating strategies for these risks.

E. CORPORATE OBJECTIVES, RISKS AND MITIGATION STRATEGIES

Corporate Objective	Risk	Assessment	Mitigation Strategies
Industry Competition: To maintain Company's prominent position among leading export oriented Textile Companies.	**Strategic Risk:** There is increasing competition among existing market players. Further, threat from new entrants are foreseen in the operating segment. **Source: External** **Commercial Risk:** Increasing prices of overheads may affect the buying potential of customers and profit margins. **Source: External**	**Likelihood:** Medium **Magnitude:** High **Likelihood:** Medium **Magnitude:** High	Company operates as a vertically integrated unit. Management takes proactive decisions and selects the product mix in spinning and weaving segments which may positively counter the adverse uncontrollable affects in the sales of home textile segment.
Legislative and Legal Environment: To operate in a stable market being compliant with all relevant laws of the country and international regulations.	**Strategic Risk:** More stringent legal requirements within the Country and in exportable markets. Changes and Reforms in existing laws & regulations and legal uncertainties. **Source: External** **Commercial Risk:** Demand from international customers for being compliant for labor, health & safety and raw material quality standards. **Source: External**	**Likelihood:** High **Magnitude:** Medium **Likelihood:** Low **Magnitude:** High	Management exercises due care for procurement of raw materials. To meet the Health and Safety standards, the Company is actively following requirements of various certifications.
Technology: To produce the best and highest quality product that meets the demands of Customers and quality standards.	**Strategic Risk:** Technological shift may render production process obsolete and cost inefficient. **Source: External**	**Likelihood:** Low **Magnitude:** High	Management continuously investing considerable amounts for upgradation of technological infrastructure in order to remain competitive and cost efficient.
Operations: To ensure continuity of operations without any disruptions in supply of resource, continuous production and minimize idle time.	**Operational Risk:** Company relies on various third parties for sourcing of quality goods and services. Business constraints faced by associated ventures may adversely affect the customer servicing of the Company. **Source: External/Internal**	**Likelihood:** Low **Magnitude:** High	Management believes in the capacity building of internal and external trading partners / vendors in order to increase their potential for timely sourcing of required goods & services to the Company.

Corporate Objective	Risk	Assessment	Mitigation Strategies
Human Capital: To recruit and retain the best people and provide adequate training to ensure high quality skilled force.	**Operational Risk:** Loss of the qualified and competent staff. **Source: Internal**	**Likelihood:** Low **Magnitude:** Low	Management is continuously investing in the capacity building of its employees. A rigorous succession plan is also in place aimed to prepare the future leaders.
Health and Safety: To ensure health and safety of employees in workplaces.	**Operational Risk:** Accidents can take place which can cause serious injuries to employees. **Source: Internal** Unforeseen calamities and natural disasters may result in human loss. **Source: External**	**Likelihood:** Low **Magnitude:** Medium	Suitably qualified and well equipped health and safety department is operational which continuously monitors the HSE conditions in the Company and takes the remedial actions as and when required.
Environment: To ensure environment friendly products and processes.	**Operational Risk:** Hazardous emissions and discharges into air and water beyond the prescribed limits. Waste from operations may be disposed off in an inappropriate manner. **Source: Internal**	**Likelihood:** Low **Magnitude:** Medium	Management has installed the waste water treatment plant in order to meet the requirements of various regulatory authorities. Apart from that, various initiatives are in process to reduce to the maximum possible discharge of hazardous chemicals in water and air.
Finance: To maintain strong financial position and produce financial performance which is reflective of the Company's scale of business and Shareholders' expectations.	**Financial Risk:** Increase in the cost of borrowing may limit the avenues for availability of sufficient working capital. **Source: External** Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. **Source: External** Devaluation of Pak. Rupee may further adversely affect the raw materials cost of spinning segment. **Source: External**	**Likelihood:** Low **Magnitude:** Medium **Likelihood:** Low **Magnitude:** Medium **Likelihood:** Low **Magnitude:** Medium	Management has addressed the risk of shortage of working capital by availing sufficient lines from the diversified financial institutions in order to meet the short term finance requirements of the company. Moreover, average credit period of the Company is also being improved along with improved operating cycle. Credit risk from counter parties is being addressed by frequent reviews of outstanding balances of major parties, and reconciliations after short time intervals to avoid the chance of disputed amounts / transactions.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F. OPPORTUNITY ANALYSIS

Unlocking and exploiting operational opportunities is an important aspect of Kohinoor entrepreneurial activities. We are committed to use existing products and new solutions to systematically enhance our growth and strengthen our position in global markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, we strengthened the basis for further growth in the coming years by making selective investments in our existing businesses and developing innovations that support in achievement of Company's stated vision.

In connection with risk and opportunities pertaining to the Company, Board's efforts for determining level of risk, Board's statement regarding robust assessment of risks, information about default in payment of any debt and inadequacy in capital structure have been covered in the Director's Report.

Key opportunity	Impact area	Strategy to materialize
Growing demand in local market Source: External	Social and relationship capital and Financial Capital	The Company has expanded its fabric printing capacity by incorporating the latest digital printing technology machine.
Cost reduction by using innovative production technology. Source: Internal	Manufactured capital	Recognizing the significance of minimizing electricity expenses, the Company has taken proactive measures by implementing a waste heat recovery plant on-site. This facility efficiently converts previously wasted heat from power engines into usable steam and energy. Additionally, the Company has recently expanded its solar power capacity to 30 MW, with the addition to the existing 14.45 MW solar plant. This expansion not only contributes to the Company's sustainability efforts but also provides subsidized electricity to support its operations.
Development of human relations/resource. Source: Internal	Human capital	The development of our human resources is an integral part of the Company's mission statement and long-term objectives. Through comprehensive training and development programs, our human capital is actively contributing value to the Company through their professional expertise, caliber, and unwavering integrity.
Improvements in the business process. Source: Internal	Financial capital	The Company has the potential to generate substantial profits by operating at full capacity, implementing an efficient cash management system, making prudent and liquid investments, and exercising effective control over its inventory levels.

INITIATIVES TAKEN BY MANAGEMENT IN PROMOTING & ENABLING INNOVATION

Innovation initiates when a company understands the requirements of its customers. At KTML we do believe that Customer always comes first. Management at KTML is maniacal about understanding the customers, their sensitivities, preferences and desires. Monitoring of customer interaction, sales and retention is regular feature of management practice at KTML that help us to remain innovative in meeting ever changing customer requirements.

BOARD'S EFFORTS FOR DETERMINING AND ASSESSING THE COMPANY'S LEVEL OF RISK TOLERANCE

In connection with risks and opportunities pertaining to the Company, Board's efforts for determining level of risk, Board's statement regarding robust assessment of risks, information about default in payment of any debt and inadequacy in capital structure has been covered in the Director's Report.

Key opportunity	Strategy to materialize
Strategic Risks	Strategic risks can be defined as the uncertainties and untapped opportunities embedded in strategic intent. These risks are key matters for the Board of Directors, and impinge on the whole business, rather than just an isolated unit.
Commercial Risks	Commercial risks refer to potential losses arising from the trading partners or the market in which the Company operates.
Operational Risks	Operational risks refer to risks resulting from breakdowns in internal procedures, people and system.
Financial Risks	Financial risk is an umbrella term for multiple types of risk associated with financing, profitability, liquidity and credit.

PRINCIPAL RISKS AND UNCERTAINTIES:

The major risks and challenges faced by the Company are as follows:

- Declining margins on export sales due to increased competition at global as well as regional levels.
- Increased finance cost due to higher interest rates.
- Increased energy cost due to rising fuel and power prices.
- Overall inflationary increase in operating expenses.
- Head on competition amongst textile manufacturers on price as well as on sales.

The Organization is effectively equipped to face challenges and uncertainties that are likely to arise. Through combined experience, skill and effective business reporting, Management is always aware of internal and external developments. The Company has formulated unique specialized cross functional teams that routinely discuss key issues and risks to come up with the most forward approach. In response to stiff competition and low margins in export markets, marketing team under the guidance of Management launched an effective market penetration strategy to increase presence in previously untapped markets. To cater overall inflation, an efficient procurement plan is in place.

LIQUIDITY AND FINANCIAL CAPITAL MANAGEMENT

Our liquidity condition has improved over the period with reduced payment cycle. The management has a balanced team of suitably qualified professionals who have breadth of experience and knowledge of best practices in liquidity management pertaining to policies, processes, regulatory constraints, tax considerations and liquidity management system.

The Company continues its efforts to maintain debts at a reasonable level which supports the long term objectives of the Company and improve its liquidity position. Keeping in line with plant modernization strategy, the Company continued its strategy to utilize maximum cash profits for the payment of debts.

Management believes that there is no inadequacy in capital structure in status quo.

DISCLOSURE OF SUPPLY CHAIN DISRUPTION RISKS AND MITIGATION STRATEGY IN THE FACE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE INCIDENTS

In today's ever-changing global business environment, companies are increasingly realizing how their operations are connected to environmental, social and governance (ESG) factors. Our Company understands the possible risks associated with these factors, especially those that could affect our supply chain. To stay ahead of potential disruptions related to ESG incidents, we have a thorough framework for assessing risks. This involves working closely with our internal teams, suppliers and industry partners to stay informed about emerging risks. We also use a strong monitoring system to track relevant ESG incidents in real-time.

To effectively manage the risks of supply chain disruptions, we've put in place a comprehensive strategy, which includes:

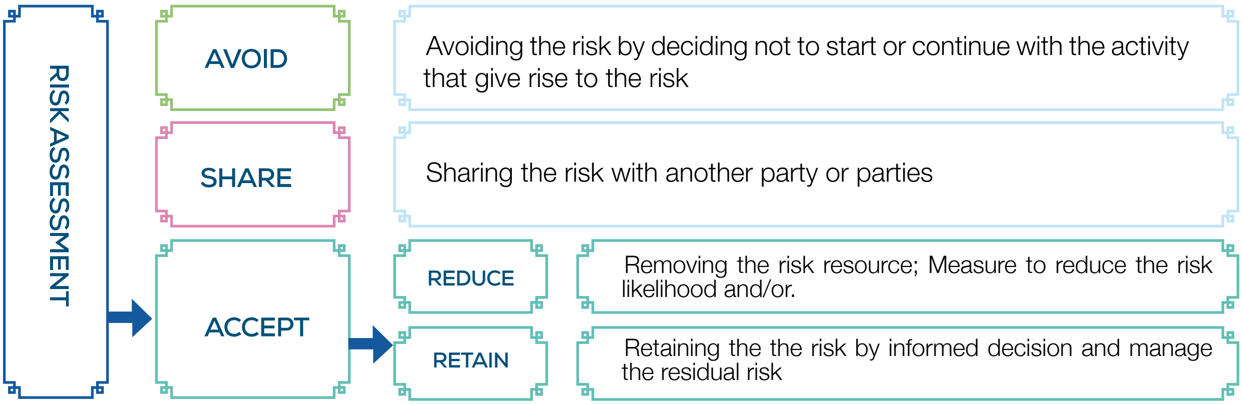
Diversifying our suppliers: We aim to have a variety of suppliers so we're not overly dependent on one source. This helps lessen the potential impact of disruptions.

Strengthening resilience: We're committed to continually making our supply chain stronger. This may involve having backup plans and alternative sources whenever possible.

Our company is dedicated to addressing ESG-related supply chain risks. By identifying, monitoring and mitigating these risks, we're ensuring that our operations can last for the long term. This also means minimizing any potential negative impacts and contributing to a more robust and responsible business environment.

RISK MITIGATION METHODOLOGIES

We have well-established policies and procedures prescribed by the Board for managing risks at the enterprise level. A dedicated team of experienced and skilled professionals actively engages in the risk management process. Our approach to risk management includes the following potential responses to identified risks:



WE ACCEPT RISKS

We accept risks when their impact is minimal, rather than expending resources to avoid, transfer, or mitigate them, opting to take no further action. In principle, all risks, except those we entirely avoid, fall into the acceptance category. Even when we reduce a risk, we still accept the portion that remains within our risk appetite.

WE AVOID RISKS

We avoid risks when there is the potential for significant threats, such as major legal issues or operational disruptions. For instance, during the pandemic, we implemented a ‘Work from Home’ policy to protect our employees from contracting COVID-19 and falling ill, thereby mitigating health risks and ensuring business continuity.

WE TRANSFER RISKS

This option does not eliminate or reduce the likelihood of the risk occurring; instead, it delegates or transfers the responsibility for managing the risk to a third party, typically through an insurance contract. It is crucial to recognize that intangible risks, such as those related to reputation and talent, cannot be transferred to a third party in this manner.

WE REDUCE RISKS

We take the necessary measures to reduce the likelihood or impact of a loss. A risk reduction strategy is employed only when the risk exceeds our appetite and tolerance levels to a minor extent, in order to bring it back within acceptable limits.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04 SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

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STATEMENT FOR ADOPTION OF BEST PRACTICES OF CSR

At Kohinoor Textile Mills Limited, Corporate Social Responsibility (CSR) is an integral part of our organizational values and commitment to sustainable progress. We acknowledge our duty to make a positive impact on the communities and environment where we operate. We are dedicated to upholding the highest ethical standards and contributing positively to society.

With full support from our Board of Directors, we proudly announce the adoption of comprehensive CSR best practices. This decision emphasizes our belief that business success should align with the well-being of society.

Our CSR approach will be guided by a firm commitment to:

Ethical Governance: We pledge to conduct our business with the highest integrity, following ethical principles that emphasize transparency, accountability and fairness in all our dealings.

Stakeholder Engagement: We will work closely with our stakeholders, including employees, customers, partners and local communities to understand their needs and concerns. Together, we will develop initiatives that address important social and environmental challenges.

Community Development: Through targeted philanthropic investments, skill development programs and community partnerships, we aim to uplift underserved communities, enabling them to thrive and make positive contributions to society.

Environmental Stewardship: We are determined to reduce our ecological footprint by adopting sustainable practices, promoting resource efficiency and engaging in conservation efforts to safeguard the environment for future generations.

Employee Empowerment: Our commitment extends to our employees, whom we consider invaluable contributors to our CSR mission. We will provide them with a secure, inclusive and diverse work environment that supports professional growth and cultivates a culture of giving back.

Transparency and Reporting: We commit to openly communicate our CSR initiatives, progress and impact to our stakeholders through regular and comprehensive reporting. This fosters accountability and encourages a culture of continuous improvement.

The endorsement of these best practices by our Board reflects our belief that responsible business practices are not only a moral duty but also a fundamental driver of long-term success. We are confident that by embracing these practices, we can create a lasting positive impact on society while ensuring the sustainable growth and resilience of our company.

STATEMENT ABOUT THE COMPANY'S STRATEGIC OBJECTIVES ON ESG AND SUSTAINABILITY REPORTING

As custodians of Kohinoor Textile Mills Limited, the Board remains resolute in its dedication to nurturing a sustainable and ethically responsible business environment. Recognizing the critical importance of environmental, social and governance (ESG) considerations within our corporate strategy, we are wholeheartedly committed to integrating ESG principles across all aspects of our operations, in line with our core values and the expectations of our stakeholders.

Our strategic goals encompass:

Environmental Stewardship: We are firmly committed to reducing our environmental impact through innovative practices that conserve resources, lower emissions, and preserve biodiversity.

Social Well-being: By prioritizing the well-being of our employees championing diversity, equity and inclusion and collaborating with local communities, we strive to make a positive difference in the lives of those we are in touch.

Effective Governance: A robust governance framework is fundamental to our sustainability journey. We pledge to uphold a system that places emphasis on transparency, accountability and ethical conduct throughout all levels of our organization.

Stakeholder Engagement: We understand that shared success arises from meaningful engagement with our stakeholders. Through open dialogue and partnerships, we aim to address concerns, gather valuable insights, and work together to develop solutions that foster positive change.

Innovation and Adaptation: Our dedication to sustainability requires ongoing innovation and adaptability. We will invest in research, development and technological advancements to enable us to evolve in a dynamic and responsible manner.

We acknowledge that by setting forth these strategic objectives, we bolster our resilience, enhance our reputation and contribute to a world that flourishes for generations to come.


TML

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES AND THERE IMPACT ON THE FINANCIAL PERFORMANCE

This reporting of sustainability related risk & opportunities helps to identify and manage risks related to environmental, social, and governance (ESG) factors, which are increasingly important to investors, regulators, and consumers. Under the context of this approach, the Company is mainly exposed to the following sustainability risks.

Environmental Risks: Water Usage, Pollution, Waste Management, Carbon Emissions & Chemical Use.

Social Risks: Labor Practices, Human Rights, Health and Safety.

Governance Risks: Regulatory Compliance, Supply Chain Transparency.

The above factors pose a risk to the Company, non-compliance of which might expose the Company to penalties in a short term, however, in longer runs it can lead to heavy fine, legal costs, and reputational damage including the loss of customer / business.

Further, inadequate oversight of sustainability practices and insufficient transparency, could diminish investor confidence and limit access to capital in long term. With the risk, lies the opportunities, therefore by capitalizing the above risks i.e., adopting sustainable practices and enhancing energy efficiency can result in immediate cost savings and improved brand reputation. Long-term opportunities highlight the potential for sustained competitive advantage through continued commitment to ESG principles, which can enhance investor confidence, reduce financial volatility, and ensure long-term profitability.

GOVERNANCE, STRATEGY, RISK MANAGEMENT & METRICS

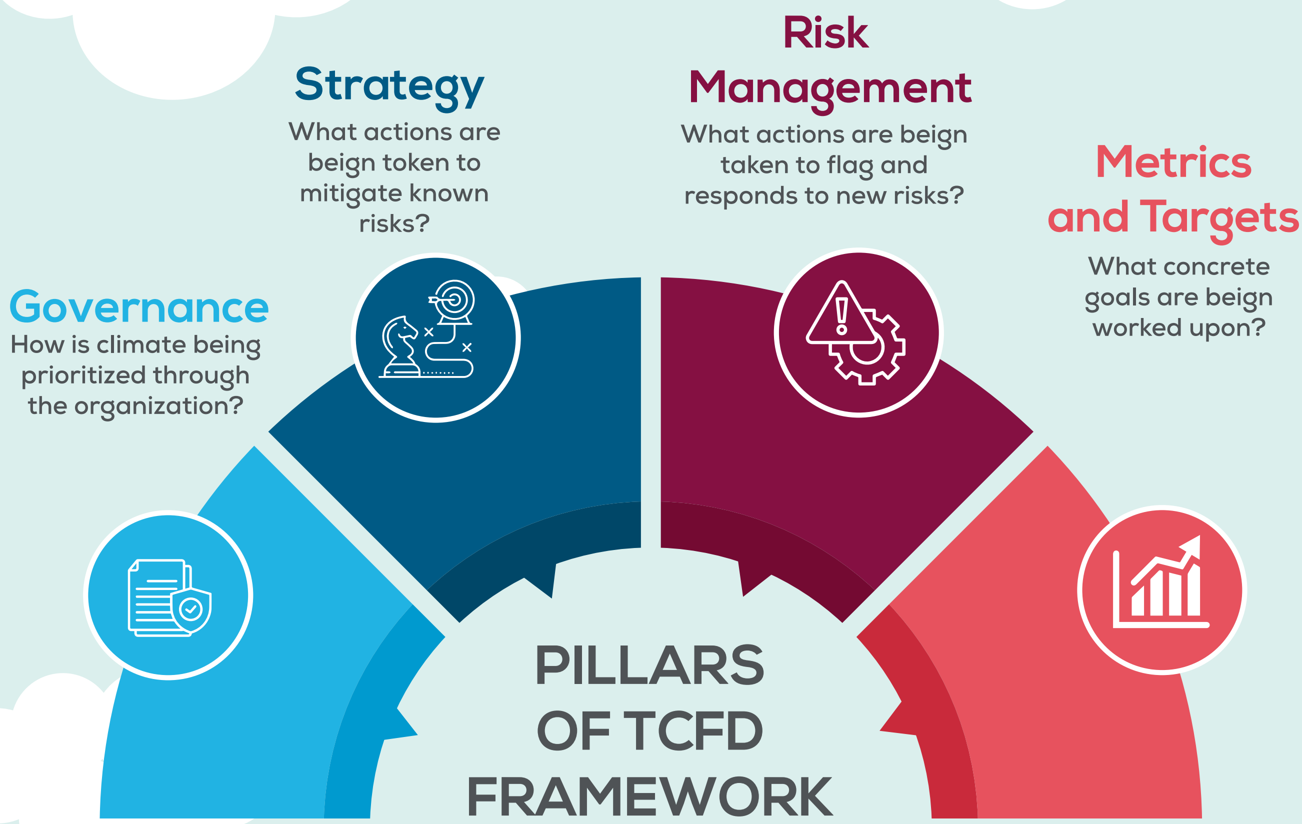
Governance
The Board of Directors provides oversight of and reviews climate-related risks and opportunities directly and additionally through the Risk Management Committee (RMC) to establish the structured policies and processes to oversight the regulatory compliance of sustainability related factors & ESG practices.

Strategy
Periodic review of the task allocated

Risk Management
Sustainability related risk assessments to address emerging threats and opportunities, ensuring resilience and adaptability by safeguarding Company's operations and reputation

Metrics and Targets
Upgrading water treatment plant, solar projects enhancements

Task Force on Climate-Retated Financial Disclosures.



SUSTAINABILITY-RELATED RISKS & OPPORTUNITIES UNDER IFRS S 1

Value Chain Stage	Risks	Opportunities	Initiative
Raw Material Sourcing	• Conventional farming/ manufacturing impact on environment. • Supply chain disruptions.	• Sustainable sourcing. • Innovation in materials.	• Engaging with sustainable suppliers of raw material. • Using organic cotton and recycled fibers.
Manufacturing and Production	• Natural resources consumption i.e. water, furnace, coal etc. • Carbon emissions / Pollution. • Chemical pollution.	• Resource efficiency. • Cleaner production processes.	• Water recycling plant. • Technology usage for efficient utilization. • Recycling of waste product. • Investment in solar park . • Choosing sustainable packing material.
Distribution and Logistics	• Carbon emissions from transportation. • Dependency on fossil fuels.	• Sustainable logistic options in future.	• Optimizing logistics routes. • Planned to partner with fuel efficient distribution channel.
Customer and Consumer Use	• Consumer preferences towards sustainable products. • The negative impact of traditional retail practices.	• Sustainable product lines. • Consumer awareness regarding green initiatives.	• Developing durable, recyclable products. • Educating consumers.

CREATING VALUE
ACHIEVING SUSTAINABLE DEVELOPMENT

Description

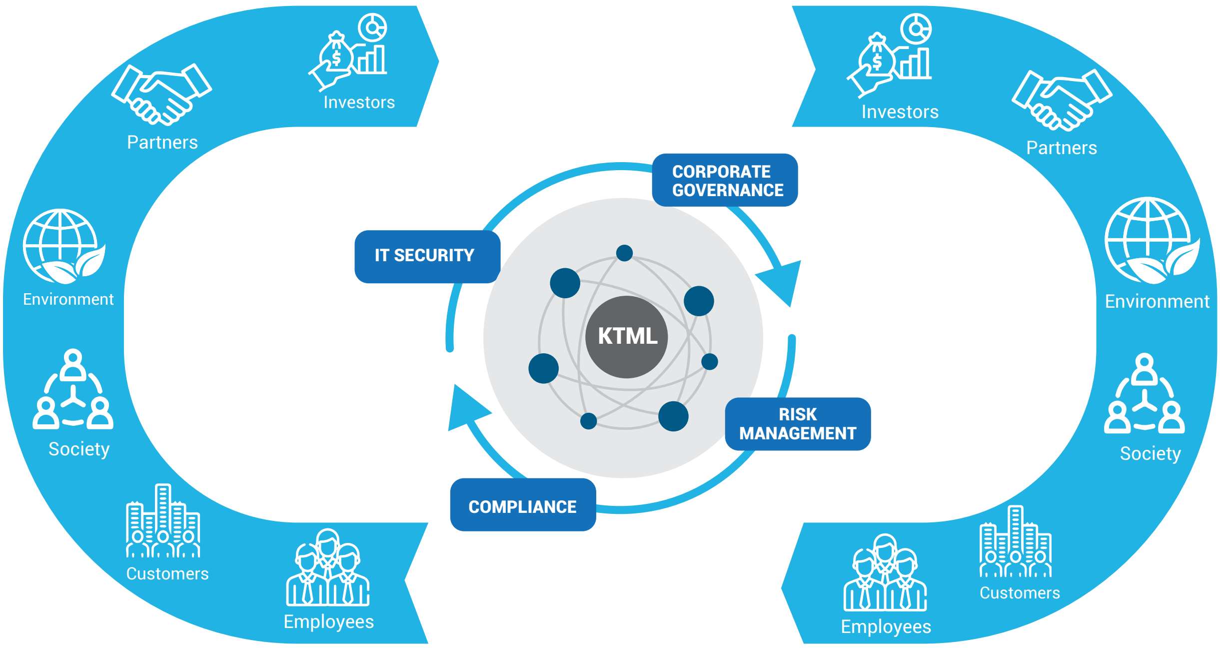
Investors: Shareholders who invested in Kohinoor Textile Mills Ltd.

Environment: The enviroment that is affected by orgnisation decisions and activities

Partner: Suppliers of goods and services

Society: The community in which Kohinoor Textile Mills Ltd. is operating

Employees: KTML employees at all sites



Commitment

Employees: Greater well-being

Society: Valued member of society

Customers: Customer satisfaction with cost effectivness

Environment: Measures for betterment

Partner: Cooperation and commitments

Investor: Financial growth with risk mitigation

SUSTAINABILITY S2 DISCLOSURE

Climate-Related Risks & Opportunities Under IFRS S2

In alignment with our dedication to sustainability and transparency, the Company acknowledges the critical importance of effectively managing climate-related risks and opportunities. As part of this commitment, the Company is currently in the process of adopting a framework consistent with IFRS S2 standards to identify, assess, and manage these risks and opportunities.

Our management approach incorporates a range of specialized methodologies and tools to ensure that our strategic initiatives remain resilient and adaptable to the ever-changing climate landscape. Below is a detailed outline of the key methodologies and tools the Company intends to implement.

The Company's strategy for managing climate-related risks and opportunities involves a comprehensive assessment of both actual and potential impacts on its business operations, strategy, and financial planning. These risks and opportunities are identified across short, medium, and long-term timeframes, allowing for a proactive and forward-looking approach. To prioritize climate risks, the Company employs both quantitative and qualitative risk assessment tools, evaluating each based on its likelihood and potential impact. In pursuit of consistent and transparent reporting, the Company adopts Global Reporting Initiative (GRI)

Standards and Sustainability Accounting Standards Board (SASB) metrics. To further enhance the credibility and reliability of climate-related disclosures, third-party auditors are engaged to provide independent assurance. Additionally, the Company maintains regular engagement with stakeholders, including investors, customers, and suppliers, to gather insights and feedback on climate-related issues, ensuring an inclusive and well-informed approach to sustainability.

Extreme weather events, including floods, hurricanes, and heatwaves, pose a significant risk to the Company's operations, potentially disrupting production, damaging facilities, and affecting supply chains. In addition, evolving environmental regulations, such as carbon pricing, emissions restrictions, and waste management laws, could increase operational costs and necessitate substantial investments to ensure compliance. Shifts in consumer preferences toward sustainable products may also impact the demand for conventional textiles, requiring the Company to invest in sustainable materials and processes to remain competitive. Furthermore, the adoption of new technologies aimed at reducing emissions and improving energy efficiency will likely demand considerable capital investment.

The implementation of energy-efficient processes and the utilization of renewable energy sources present significant opportunities to reduce operational costs and improve profit margins. By enhancing water management practices, the Company can mitigate risks related to water scarcity while simultaneously lowering expenses. Offering eco-friendly packaging and reducing waste not only helps meet regulatory requirements but also strengthens brand reputation by appealing to environmentally conscious consumers. Furthermore, improving supply chain resilience through diversification and collaboration with sustainable suppliers can reduce the impact of climate-related disruptions, ensuring greater operational stability and sustainability.

CHAIRMAN'S OVERVIEW

ON THE COMPANY'S SUSTAINABLE PRACTICES AND THEIR EFFECT ON FINANCIAL PERFORMANCE

In today's dynamic business landscape, where Environmental, Social, and Governance (ESG) considerations hold paramount importance, our approach to sustainability transcends being merely an ethical choice; it stands as a strategic imperative that significantly impacts our financial bottom line.

Operational Efficiency and Cost Effectiveness:

Our sustainable practices optimize resource utilization, streamline processes and reduce waste, driving operational efficiency. These efficiencies directly translate into cost savings, bolstering profitability while aligning with our duty to safeguard our planet's resources.

Risk Mitigation and Resilience:

By proactively addressing ESG factors, we preemptively mitigate risks associated with regulatory non-compliance, safeguard against reputational harm and fortify against potential disruptions in our supply chain. This risk-aware approach fortifies our business resilience, ensuring continuity in an increasingly uncertain world.

Reputation and Stakeholder's Confidence:

Our steadfast commitment to sustainability enhances our standing as a conscientious corporate entity. This reputation appeals to discerning customers who value products and services produced with ethical considerations. Stakeholder confidence and allegiance are not only intangible assets but also pivotal drivers of sustained revenue growth.

Access to Capital and Investor Trust:

Investors are progressively evaluating companies based on ESG performance. Our robust sustainability initiatives draw socially conscious investors who recognize that aligning financial returns with positive societal impact constitutes a sustainable model for long-term success. Consequently, this widens our access to capital.

Employee Engagement and Productivity:

Our dedication to an inclusive, diverse and ethical work environment cultivates employee loyalty, engagement and job contentment. Engaged employees exhibit heightened productivity, ultimately augmenting our overall operational efficiency and by extension, financial performance.

Regulatory Agility and Competitive Edge:

Adapting to evolving regulatory landscapes ensures our compliance and minimizes the risk of penalties. Furthermore, it positions us as a forward-thinking organization, conferring a competitive edge in an environment where responsible business practices are increasingly esteemed.

In summation, our sustainable practices are not mere add-ons to our business strategy; they serve as integral catalysts for our financial triumph. By aligning our fundamental values with prudent business decisions, we ensure that our profitability goes hand in hand with the betterment of our planet, communities and the prosperity of future generations.

CULTURE

Organizational culture in Kohinoor Textile Mills Limited depicts the Company's philosophy which is based on shared values and beliefs. The Company is committed to build a strong corporate culture based on its core value at the highest standards of Empathy, Integrity and Passion. The Company believes in empowering its people by encouraging a culture of collective efforts for the achievement of Company's vision and objectives followed by self-assessment for continuous improvement.

CORPORATE STRATEGY

TOWARDS DEVELOPING A SUSTAINABLE BUSINESS MODEL

We, at Kohinoor Textile Mills Limited, manufacture and market yarn, cloth and wide range of home textiles. Our strategy is to be competitive in the market through quality and efficient operations. As a responsible member of the community, we are committed to serve the interests of our stakeholders and contribute towards the prosperity of the Country following a sustainable and socially responsible business practices.

SUSTAINABILITY - KEY HIGHLIGHTS

Renewable Energy:
Currently the Company has 30MW capacity of generating electricity from solar power projects, which reduces around 57.48 million pounds (equivalent to 28,740 tons) of carbon dioxide emissions annually.

Water Conservation:
Construction of another rain water harvesting reservoir with a capacity of 150,000 metric tons is underway, this endeavor signifies our dedication to responsible water management, allowing us to harness nature's gift for our operational needs. By capturing and storing rainwater, we aim to reduce our reliance on external water sources and contribute to conserving this precious resource.

Use of Technology:
To reduce our environmental footprint, KTML has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects of industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. During the financial year 2024, the capital expenditure of KTML amounts to Rupees 3.3 billion.

Energy Conservation:
KTML focuses on energy conservation & operational efficiencies. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed.

Use of Recycled Material:
The Company uses Synthetic recycle fiber & natural fiber waste in the production of yarn and has a certification of compliance with Global Recycled Standard (GRS).

Paperless Environment:
The Company remains committed to creating paperless environment and has reduced the paper consumption to 65% by the end of FY 2024.

OUR APPROACH TOWARDS SUSTAINABILITY

At Kohinoor Textile Mills Ltd. industrial process not only respond to market requirements but also be sustainable. Process intensification (PI) offers promising opportunities toward enhancing the process performance while addressing sustainability objectives. Intensified process design and technologies including reduction in consumption of natural resources, increase in efficiency, decrease in physical size, increase in throughout, and reduction in environmental emissions. Thus, PI offers new opportunities for more sustainable processes.

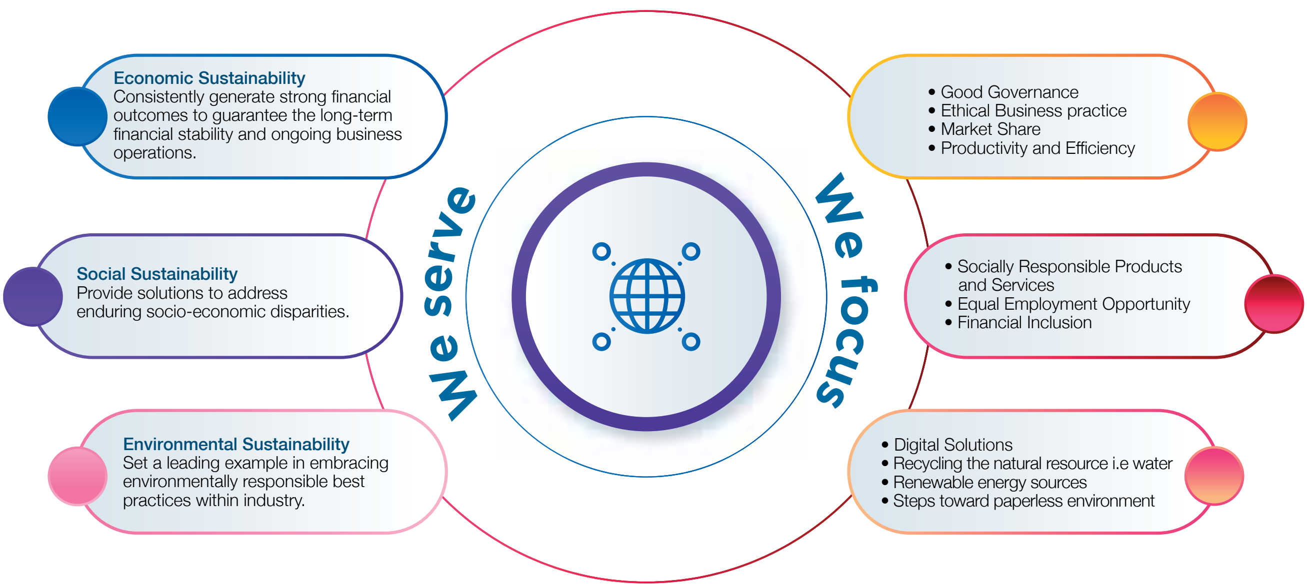
The Strategic Sustainability Framework embodies a comprehensive and methodical approach to sustainability, emphasizing not only the long-term success of the organization but also affording equal significance to addressing social, economic, and environmental impacts. This framework is meticulously designed to ensure that Kohinoor Textile Mills Limited's Environmental, Social, and Governance (ESG) structure evolves in a consistent manner, thereby safeguarding the well-being of communities and preserving the environment over the long term.

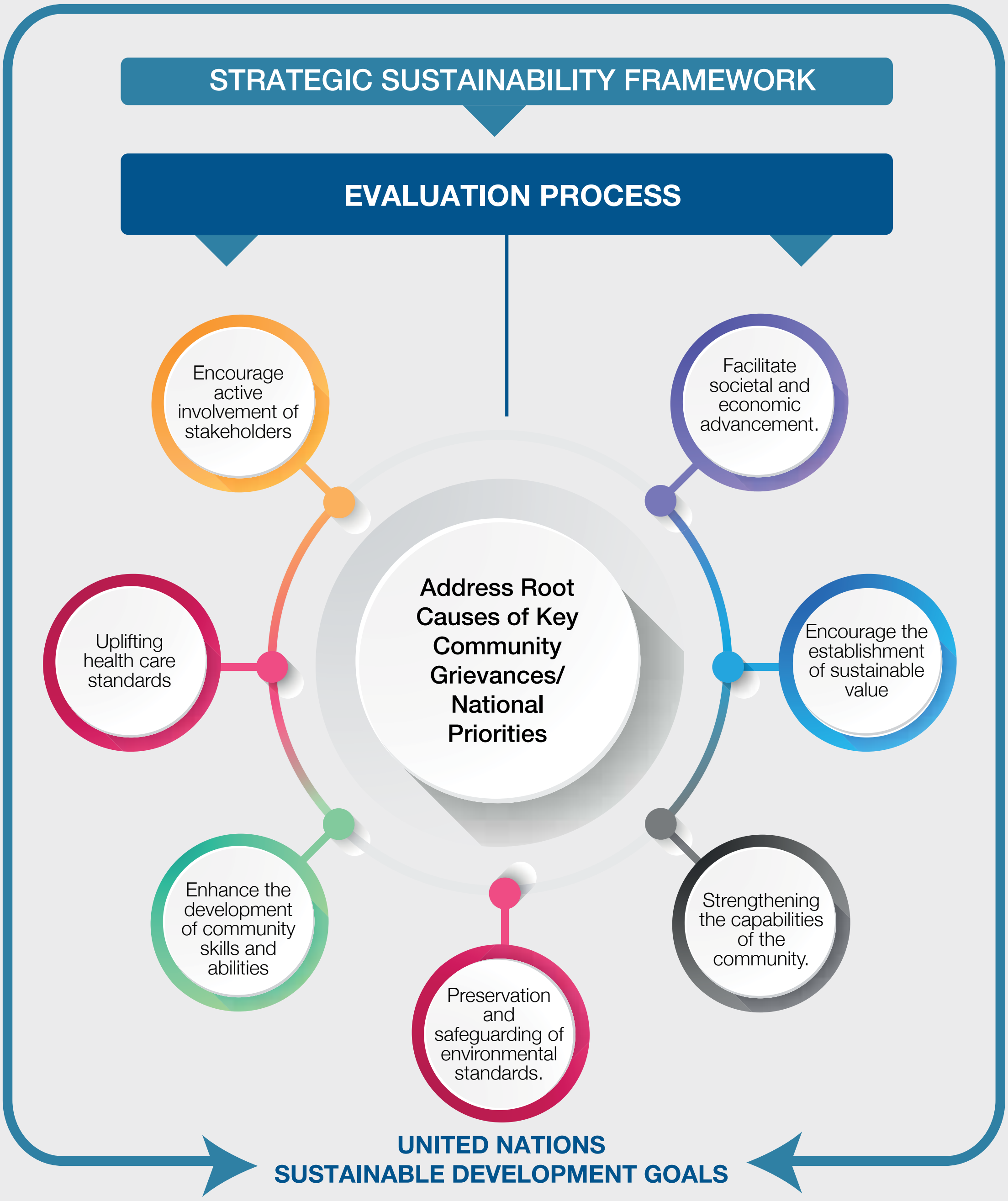
At Kohinoor Textile Mills Ltd., we affirm our unwavering commitment to maintaining the highest standards of Corporate Social Responsibility (CSR). Our primary objective is to fully integrate responsible business practices throughout the entirety of our operational framework. We rigorously define CSR best practices as prioritizing environmental sustainability, ethical governance, and social responsibility. To actualize this vision, we will implement specialized processes to allocate the necessary resources and engage proactively with stakeholders to ensure maximum transparency and accountability.

Our performance will be diligently measured against key indicators, with periodic reporting on our progress, reflecting our steadfast commitment to continuous improvement. By adhering to these best practices, we aim to create a positive impact on society while consistently upholding the principles of responsible manufacturing.

In its pursuit of Corporate Social Responsibility (CSR), Kohinoor Textile Mills Ltd. remains steadfast in its commitment to ethical and sustainable practices. We place the highest priority on the well-being of our workforce, offering comprehensive training programs to equip them with the necessary skills to ensure a safe and fulfilling work environment. Simultaneously, we are making significant investments in renewable energy sources to minimize our environmental impact.

Our operational water treatment plant enables the efficient reuse of waste water, thereby conserving this vital resource. Moreover, we adhere rigorously to local labor laws, ensuring the fair and equitable treatment of all employees. We are resolutely committed to the continuous enhancement of our CSR initiatives, consistently striving for excellence in sustainability and ethical business practices.




STRATEGIC SUSTAINABILITY FRAMEWORK
EVALUATION PROCESS
Address Root Causes of Key Community Grievances/ National Priorities
Encourage active involvement of stakeholders
Facilitate societal and economic advancement.
Uplifting health care standards
Encourage the establishment of sustainable value
Enhance the development of community skills and abilities
Strengthening the capabilities of the community.
Preservation and safeguarding of environmental standards.
UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

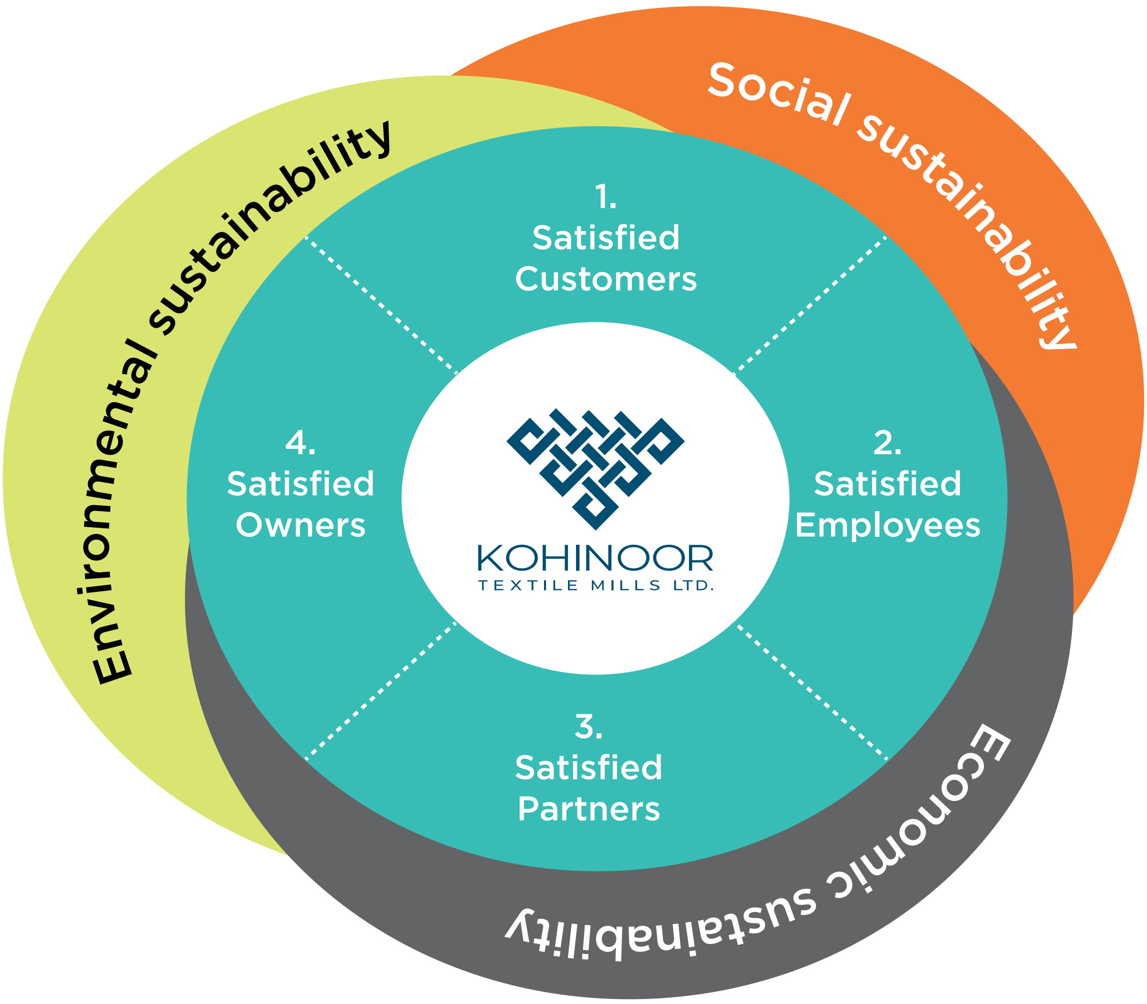
Kohinoor Textile Mills Limited has always placed utmost importance on benefitting the society at large. Committed to our goals, we channel our efforts to positively impact Pakistanis by focusing on education, healthcare, livelihood and environmental sustainability. Our commitment to bringing about meaningful change is not only philanthropic, but also strategically aligned with the United Nations' Sustainable Development Goals (UN SDGs). The following highlights our Company's efforts to meet the UN SDGs:

SDG	Area	Weaving Relationship with Threads of Sustainability, Innovation & Inclusivity	Goal Sign	Target
Eradicate poverty in all its manifestations without boundaries	Social	Creating jobs by expansion and recruiting on merit. Training center operations for developing skilled resources	1 NO POVERTY	Further expansion in process to create more jobs
Adherence to labour standards and demonstrating respect and providing healthy environment	Social	The Company's EHS department ensures that our operations adhere to the best practices in Occupational Health, Safety, and the Environment. Wages are complying with the Company consistently maintains and surpasses the health and safety criteria necessary for SA 8000 certification. Regular audits are carried out by customers, regulatory bodies, and the Company's internal audit teams to guarantee alignment with both these standards and those established by our customers.	3 GOOD HEALTH AND WELL-BEING 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Comply with minimum wage act while giving WPPF and 10C bonuses to employees.
Encourage women empowerment	Social	Kohinoor Textile Mills Limited is dedicated to guaranteeing equitable treatment and fair working conditions for all our employees. We offer equal opportunities and compensation packages to our female employees that are on par with what we provide to their male colleagues. We foster an inclusive atmosphere where every individual is appreciated and respected, regardless of age, gender, race, marital status, disability, religion or belief, colour, or nationality. Our commitment to gender diversity is evident at all organizational levels, including the representation of women on our Board of Directors. Furthermore, we have implemented policies that promote a harassment-free workplace, ensuring the well-being of both female and male employees.	5 GENDER EQUALITY	Maintaining and eventually increase the female ratio of employees
Our goal is to integrate the concept of water conservation into our business strategies, with the aim of preserving natural resources for a sustainable future.	Environment	KTML is committed to responsible water consumption and actively works to minimize its usage, striving to eventually achieve zero liquid discharge, currently at 75%. To safeguard the local water table from any potential adverse impacts of processing chemicals, we have established a wastewater treatment plant, significantly reducing or eliminating contamination risks. Furthermore, KTML regularly organizes tree plantation initiatives to mitigate harmful gas emissions into the atmosphere. These efforts not only contribute to air quality but also aid in maintaining and replenishing underground water levels by reducing evaporation.	6 CLEAN WATER AND SANITATION	carbon emission control by solar usage. Water treatment plant usage

SDG	Area	Weaving Relationship with Threads of Sustainability, Innovation & Inclusivity	Goal Sign	Target
Renewable energy utilisation	Techno-logical / Enviorment	KTML has 30MW capacity of generating electricity from solar process	7 AFFORDABLE AND CLEAN ENERGY	
Our goal is to diminish disparities within our sphere by leveraging our leadership, network, technologies, and solutions to ensure that everyone has equitable access to opportunities.		Kohinoor Textile Mills Limited is firmly committed to guaranteeing fair treatment and equitable working conditions for all employees. This commitment stems from our core values, and we are dedicated to upholding our position as an equal opportunity employer. As part of our policy, we actively promote diversity and strive to offer equal opportunities based on merit. Our inclusive environment fosters a sense of value and respect for every individual, regardless of factors such as age, gender, race, marital status, disability, religion or belief, colour, and nationality.	10 REDUCED INEQUALITIES	
Sustainable consumption and production	Environment / 3Rs	The Company utilizes both synthetic recycled fiber and natural fiber waste in yarn production and holds a certification demonstrating compliance with the Global Recycled Standard (GRS). In our commitment to minimizing our environmental impact, KTML has implemented cutting-edge and state-of-the-art equipment to regulate effluent discharge, effectively mitigating the environmental consequences of industrial effluents in the vicinity. The Company consistently strives to maintain a healthy environment for both its employees and the local community. The Company consistently fulfils and surpasses the criteria mandated for ISO 14001:2015 and EU-Ecolabel certifications.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Reusing waste material of textile
Our goal is to swiftly address and mitigate the impacts of climate change.	Enviorment	Responsible utilization of raw materials, efficient technology, emission control measures, and regular tree planting initiatives all contribute to mitigating the impact of climate change.	13 CLIMATE ACTION	
Quality management		The company is ISO 9001:2015 certified Quality control checks take place at every stage of the production process, commencing with the examination of raw materials upon their delivery to the factories. This process continues with the Quality Assurance team acting as the customer's representative while conducting audits of the finished products. These audits are performed before the products are transferred to the customer's audit teams for the final inspection.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	

THREE ELEMENTS OF SUSTAINABILITY

Social sustainability	This is based on the idea that everyone, whether a company or an individual, has a responsibility to create a well-functioning society. For us this includes contributing to economic security through job creation, ensuring life after employment through safe and healthy working environments, well-being through safe and healthy products and contributing to the long-term development of the local community.	• Fair Employment Opportunities • Inclusive Financial Practices • Initiatives for Empowering Communities • Ethically Produced Goods and Services
Environmental sustainability	This is based on the idea of minimising the impact on nature to what it can withstand. For us, this includes working proactively to minimise negative environmental impacts, for example by reducing carbon emissions, reducing energy consumption and reducing the amount of chemicals, and actively helping our customers and partners/suppliers to reduce their environmental impacts.	• Technological Innovations • Environment-Friendly Operations Sustainable • Finance Corporate Social Responsibility Projects for the Environment
Economic sustainability	This is based on the idea of being a long-term, profitable and sustainable company by acting correctly. The businesses conduct their business in an ethical manner, including anti-corruption, compliance with competition law, good tax ethics and good contract drafting. The Group creates job opportunities for its employees, leading to increased welfare, and long-term profitability, which provides the opportunity to reinvest and create value for shareholders.	• Effective Governance • Ethical Business Practices • Leadership in the Digital Age Market Presence • Operational Productivity and Efficiency



INDUSTRIAL RELATIONS

The company has established an Industrial Relations (IR) department for determination of adequate terms and conditions of employment. Further, the IR department is responsible for avoidance and settlement of disputes and differences between the Company, its employees and their representatives through negotiation. The company operates a Provident fund and a Worker's Profit Participation Fund for its employees, as well as paying bonuses to employees on the basis of the company's profitability and individual performance. The company is committed to provide equal opportunities to all existing and prospective employees without discrimination on the basis of race, religion, gender or age.

CONSUMER PROTECTION MEASURES

We are committed to ensure that our products are shipped in a manner complying with the highest safety standards and meeting or exceeding all legal requirements. The Company takes care and applies appropriate procedures to manufacture its products so as to ensure that no harmful substances are present in any of its products.

INFORMATION TECHNOLOGY

Management has a strong commitment to strengthen the platform for information technology and information systems in order to remain competitive and cater the requirements of coming era. The company continues to upgrade and improve our information systems and processes, an effort led by a team of IT professionals with wide ranged experience in latest information technologies.

SECURITY

The Company maintains its dedication to security, and is fully compliant with the Customs Trade Pact against Terrorism (CTPAT), performing frequent and regular audits to ensure it remains so. All areas of the Company premises are monitored using CCTV Camera's surveillance, as per CTPAT requirements. We are also compliant with the standards set by our international customers, many of which exceed those of CTPAT.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year the Company has contributed amounted to Rs. 7,805.59 million (2023: Rs. 6,727.26 million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 68.129 million (2023: (USD) 53.132 million) to the national treasury by way of export sales.

HUMAN RESOURCE ACCOUNTING

Kohinoor believes that having an eye on cost factor of the organization is important as it gives us a true picture of the Impact and overall success of the initiatives taken by the Company. In light of this philosophy, the major cost incurred on Human Resource Management are monitored and measured through HR Budgeting which mainly includes the cost of recruitment, training, development and rewarding staff.

At the start of the financial year, estimated costs of hiring along with the advertisement and headhunting expenses are calculated and added in the budget. Similarly, the training & development plans, major employee rewards & benefits including staff increments, health & life insurance, leave encashment, staff vehicles costs (as a part of perks) are forecasted and incorporated into the annual budgets. And at the end of the year, all the actual costs incurred on these initiatives are compared with the budgeted figures and next year's budgeting is further carried out on the basis of comparative analysis.

EMPLOYEES' SATISFACTION

It is essential for a Company to make sure its employees are satisfied with their employers. Similarly, for a company to gain competitive advantage and to benefit from its diverse workforce, it needs to cater the employee satisfaction. To achieve employees' satisfaction, the Company engages in various activities including annual gatherings, formal and informal meetings, surveys, HR engagement and appraisal activities designed to bridge the communication gap between top management and employee. It also results in identification of areas that need improvement, recognize and reward exemplary performance via salary raises, promotions and help employees gain a better understanding about their roles and responsibilities. The ultimate goal is to enhance employee's productivity as well as impart a sense of belonging by making them feel valued and acknowledged.

At KTML employee management, labor management and human rights are implemented in accordance with the legal requirements. The company has no child labor or forced labor as part of the workforce. The employees are informed beforehand in case of any operational changes, however, there were no operational changes during the year. Integrity is a part of our core values at KTML, we have a strict policy against corruption and bribery. To emphasize its importance and to make sure that policies are communicated to all employees, a code of conduct is designed in a way that leaves no room for non-compliance.

GENDER PAY GAP STATEMENT

KTML is dedicated to guaranteeing equitable treatment and fair working conditions for all our employees. We offer equal opportunities and compensation packages to our female employees that are on par with what we provide to our male colleagues. We foster an inclusive atmosphere where every individual is appreciated and respected, regardless of age, gender, race, marital status, disability, religion or belief, color or nationality. Our commitment to gender diversity is evident at all organizational levels, including the representation of women on our Board of Directors. Following is Gender pay gap calculated for the year ended 30 June 2024:

Mean Gender Pay Gap	0.95%
Median Gender Pay Gap	11.51%

CORPORATE SOCIAL RESPONSIBILITY (HEALTH & EDUCATION)

As part of organization's commitment towards community development, it actively participates in various CSR programs directed towards health, education and socio-economic development of society at large. We have undertaken several initiatives such as donating personal protective products (PPPs) to medical institutions and underserved sections of the society, upgrading health care facilities in Ghulab Devi Chest hospital by providing equipment and creating awareness campaigns. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we operate. In order to bring a positive & lasting change in the community by educating the new generation. The schools are located in the Kohinoor Colony premises and managed by female staff, these schools provide quality education to both boys and girls.

ENERGY SAVING MEASURES

Given the current energy crisis in Pakistan, Kohinoor's management recognizes the importance of the efficient usage of energy in the corporate sector and has therefore formed an energy committee with the aim of finding more efficient and sustainable methods for generating and managing energy. The Company's processing department has already reaped large benefits through its collaboration with several major multinational chemical suppliers; together they have substantially reduced the usage of water, chemicals and energy while maintaining or improving quality and environmental standards. The Company hopes that future progress in these projects will yield further reductions in the costs of energy and usage of other resources such as water, etc. Further, in anticipation of increased scarcity and load shedding of natural gas and electricity, the Company is taking steps to further diversify its energy production capabilities, expanding into steam generation via wood, coal and waste heat recovery and initiating a pilot project in solar heating of water. The Company remains committed to explore sustainable alternative energy sources which is evident from installation of 15.55MW Solar based power project in Rawalpindi and Raiwind Divisions.

QUALITY MANAGEMENT SYSTEMS

The Company maintains its reputation as a high quality supplier and owes its current business, in large part, to this reputation. Quality control checks occur at all points in the production chain, starting at the delivery of raw material to the factories, through to the Quality Assurance team acting as the customer's representative when conducting audits of finished goods before handing them over to the customer's audit teams for the final inspection. It is worth noting that the Company's Quality Management Systems are so highly regarded that several customers no longer require the presence of external auditors before shipping of finished goods. The Company is ISO-9001:2008 certified and firmly believes in the necessity of Quality Management Systems.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) PROTECTION MEASURES

The Company continues to meet and exceed the health and safety standards required for SA 8000 certification. Frequent audits are conducted by customers, regulatory agencies and the Company's own audit teams in order to ensure compliance with these standards and those set by the Company's customers. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff and application of the highest professional standards of work. Recently we have done a complete re-examination and improvement of our fire safety protocols to further ensure the safety of our employees. Management takes all possible measures to prevent unsafe activities by its hiring practices and through the implementation of effective management, human resources and operational policies.

BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deals that may be supported by kickbacks and no employees are allowed to run parallel businesses. The Company maintains a system by which any employee can report the non-conformance (NC) to the top management. All NCs reported are addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are permanently resolved. Further, the Company's Internal Audit department is empowered to perform regular and ad-hoc checks and audits of any and all functions & operations of the company and reports directly to the Audit Committee. Moreover, the Company has also formulated whistle blowing policy.

ANTI-CORRUPTION MEASURES

Any evidence or suspicion of any unethical or unlawful activity, damage to environment, any offence or injustice, non-compliance with applicable regulatory requirements or company policies can be reported in complete confidentiality. To win the battle against corruption and any unethical/unlawful activity the management adapts both top-down and a bottom-up communication approach. The Company expects all its employees to perform services with integrity and professionalism. The Company is fully committed in promoting the highest standards of ethical behaviour throughout its business. The management condemns corrupt and fraudulent practices and ensures transparency, integrity and honesty in all aspects of work. Fundamental to this is the adoption of a 'zero tolerance' approach to all forms of corruption and misrepresentation. The entity has strong internal audit functions in place to review the operations in order to detect any potential occurrence of corruption.

WASTE WATER TREATMENT PLANT

Management understands the harmful effects of contaminated water on the surrounding areas after emission from the Mill's premises. In order to prevent the potentially harmful effects of any chemicals used in processing on the surrounding water table, a waste water treatment plant has been constructed minimizing or negating any contamination in water discharged from the factory. Further, the company continues to investigate and implement pilot projects into alternative, sustainable energy sources.

NATIONAL CAUSE DONATIONS

During the year, Company has contributed Rs. 0.5 million to Government of Punjab for activities to control pests attack on cotton crops.

EMPLOYMENT OF SPECIAL PERSONS

The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 3% quota of the total workforce necessitated to be allocated to disabled persons.

DIVERSITY AND EQUAL OPPORTUNITY

Kohinoor Textile Mills Limited is committed to ensure equal treatment and fair working conditions for employees. This belief is driven by our core values. As part of our HR policy, we strive to be an equal opportunity employer. The Company believes that empowerment of women can have replicating effects over the society and it is a part of its approach to see women as pillars of community by empowering them at the workplace. We are committed to encourage greater diversity and ensuring equal opportunities for individuals based on merit. We also provide an inclusive environment where everyone feels valued and respected, irrespective of age, gender, race, marital status, disability, religion or belief, colour and nationality.

MARKET PRESENCE

In the Company, all employment is strictly done on merit and no preference whatsoever is granted. Kohinoor Textile Mills aggressively contributes in the wellbeing of economy and provide job opportunities to local community. Value creation and growth of the entity is directly linked with these aspects and management has devised stringent policies to never let this aspect unaddressed. Moreover, this aspect can also increase the economic benefit to the local community, and improve an organization's ability to understand local needs.

RURAL DEVELOPMENT PROGRAM

The Company's Mills are located in rural areas therefore various corporate social responsibility activities are effectively implemented in those areas. The Company has been working hard to initiate and sustain rural development programs for the enhancement of health of the rural population. Therefore, a "Dengue Fever Awareness Program" was carried out to demonstrate the prevention techniques and share knowledge with community members to ensure maximum awareness at plant site and the local community.

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

Traditionally, dying factories have been considered environmentally hazardous but Kohinoor has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects of industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. To enhance environmental standards and continuously promoting a better and Green Environment within the factory as well in the nearby areas, the Company is arranging regular Tree Plantation activities to provide healthy environment to employees and other community living in surroundings.

SUSTAINABILITY AND SUPPLY CHAIN

At KTML, we believe that achieving a sustainable business is not restricted to production practices only but also includes the supply chain. From our early days, we have been communicating with our suppliers and contractors regarding our environmental expectations and require them to adopt environmental management practices aligned with these expectations. The suppliers are informed and educated about the importance of environment protection not only to KTML but to their respective businesses as well. Other than encouraging environsmental friendly practices, the company also scrutinizes its business partners on the basis of how actively they are fulfilling their legal requirements e.g. in light of creating an accountable and documented economy, the company motivates and highlights the importance to stakeholders in the upstream and downstream supply chain to get registered with the tax authorities. Furthermore, the Company fulfills its role as a withholding agent and makes timely payment of amount due to the National exchequer.

As a part of the Supplier Evaluation Program, all our suppliers are screened and assessed for social risks. We ensure that integrity and compliance are foundational elements of our culture. Our suppliers are required to hold their supplies to equivalent standards. Our company-wide ethics and compliance program is designed to prevent, detect and appropriately respond to any potential violations of the law or company policies, and this program applies to our suppliers. We will continue to enhance our supplier social responsibility frameworks in the coming year, through the addition of new programs addressing supply chain labor and emissions reporting. KTML's purchasing policy aims to cut down on waste and environmental impact along with reduced costs.

PROCUREMENT PRACTICES

Kohinoor Textile Mills management plays a vital role and devise policies to procure locally, so that growth in local economy can be fueled and stimulated. We believe in strategic relationships and have developed strong connections with vendors in the industry. Our Purchase team stays in continuous contact with suppliers and vendors through meetings to resolve issues for on time deliveries, any concerns about terms & conditions and timely payments. Our sustainable growth is also attributable to engage reputed and dependable suppliers & vendors as business partners for supply of raw material, industrial inputs, equipment and machinery.

COMMUNITY INVESTMENT AND WELFARE SCHEMES

The Company has a long tradition of maintaining good community relations, and many of its employees are actively involved in welfare schemes. We believe that investing in our communities is an integral part of our social responsibility, and is vital to ensure the sustained success of the Company. We aim to ensure that our businesses and factories have the resources and support to identify those projects, initiatives, and partnerships that can make a real difference in their communities, and those that will mean something to our employees and their families.

BEST CORPORATE REPORT AWARD

Company has maintained its history of delivering best user-friendly financial reports to its valued users. This stance is supported by fact that Company's financial statements are well regarded by joint committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). This achievement secured by the Company reflects best ethical values and management practices in corporate reporting. The Company has promoted accountability and transparency through provision of accurate, informative, factual and reader-friendly Annual Reports on timely basis for the valuable stake holders.

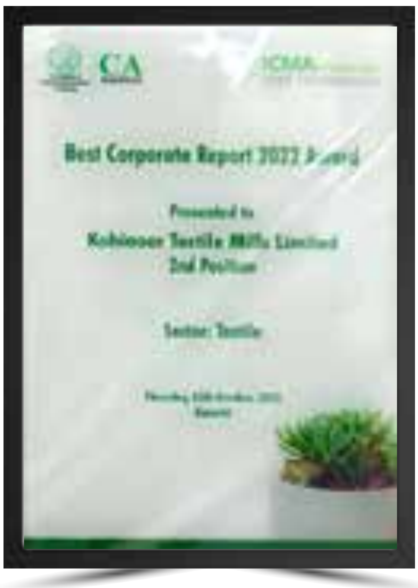
KTML continues to hold first in the top three positions from the previous Eight years in a row

YEAR	POSITION
2015-2016	First
2016-2017	First
2017-2018	First
2018-2019	Third
2019-2020	Third
2020-2021	Second
2021-2022	Second
2022-2023	Second

EXTERNAL INITIATIVE & MEMBERSHIP OF ASSOCIATION

Company's prominent memberships are as follows.

1. Lahore Chamber of Commerce & Industry
2. Rawalpindi Chamber of Commerce
3. All Pakistan Textile Mills Association
4. Pakistan Textile Council



MANAGEMENT SYSTEM & PRODUCT COMPLIANCE CERTIFICATIONS

Quality Management System (ISO 9001:2015)

Kohinoor Textile Mills Limited exemplifies excellence through adherence to the ISO 9001:2015 Quality Management System. This certification underscores our commitment to consistent, high-quality products and services. By upholding ISO 9001:2015, we ensure customer satisfaction, process efficiency, and a culture of continuous improvement, further establishing Kohinoor as a trusted industry leader.

Environmental Mangement System (ISO 14001:2015)

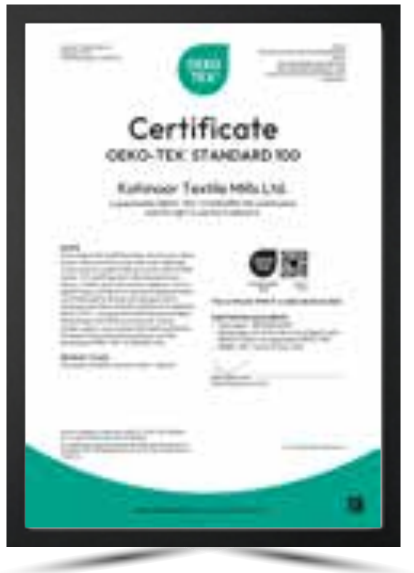
KTML adheres to the ISO 14001:2015 Environmental Management System, showcasing our dedication to sustainable operations. This certification affirms our commitment to improve environmental performance, pollution control & waste minimization, training, reporting to the top management and setting goals.

EU Ecolabel

Compliance with the EU Ecolabel reflects our steadfast commitment to environmental sustainability. This certification attests to our products meeting stringent ecological standards, ensuring reduced environmental impact throughout their lifecycle.

SteP by OEKO-TEX®

Adherence to SteP by OEKO-TEX® exemplifies our dedication to sustainable textile production. This certification ensures that our processes meet rigorous environmental and social standards. It reaffirms our commitment to responsible and eco-friendly manufacturing, providing our customers with products they can trust.



OEKO-TEX 100 (Appendix 6 - Class II)

KTML upholds OEKO-TEX 100 (Appendix 6 - Class II) compliance, assuring our products meet stringent safety standards. This certification signifies that our textiles are free from harmful substances, ensuring they are safe for consumers. KTML remains dedicated to providing high-quality, eco-friendly products.

Higg FEM Index

KTML demonstrates strong compliance with the HIGG INDEX, reflecting our commitment to responsible internal practices. This index, based on rigorous internal assessments, reflects our dedication to environmental performance.

Business Social Compliance Initiative (BSCI)

KTML upholds strict compliance with the amfori BSCI initiative. This commitment demonstrates our dedication to monitoring and improving workplace standards across our supply chain, ensuring that all suppliers treat workers ethically and legally. By adhering to the principles of the amfori BSCI, we prioritize social responsibility, transparency, and the well-being of workers, contributing to sustainable and ethical business practices throughout our operations.

Global Organic Textile Standard (GOTS) - Version 6.0

This certification affirms our unwavering commitment to sustainable and environmentally-conscious textile production. By adhering to GOTS 6.0, we ensure that our products meet the highest organic and ethical standards, contributing to a greener and more responsible industry.

Organic Content Standard (OCS) - Version 3.0

OCS - Version 3.0, exemplifying our dedication to sustainable textile production. This certification confirms our commitment to incorporating organic materials into our products, promoting environmental responsibility and transparency in our operations.

Global Recycled Standard (GRS) - Version 4.0

KTML proudly meets the standards of the GRS - Version 4.0. This certification underscores our commitment to sustainable practices, as it verifies our use of recycled materials in textile production. By adhering, we contribute to a more environmentally-conscious and responsible industry.

Sedex Members Ethical Trade Audit (SMETA)

KTML upholds strict compliance with the Sedex SMETA audit framework. This commitment reflects our dedication to ensuring high standards of labor practices, health and safety, environmental performance, and ethics within our operations and across our supply chain. By adhering to SMETA, we actively work to protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labor, reinforcing our responsibility to maintain an ethical and safe working environment for all.

Higg Facility Social & Labor Module (Higg FSLM)

KTML upholds strict compliance with the Higg Facility Social & Labor Module (FSLM). This commitment ensures that we maintain high standards in recruitment and hiring, working hours, wages and benefits, employee treatment, health and safety, and management systems. By adhering to the Higg FSLM, we are dedicated to empowering people and communities, fostering fair labor conditions, and promoting employee involvement throughout our operations, while ensuring the effectiveness of our social management programs.

CORPORATE EVENTS
JUL-2023 TO JUN-2024

A
2023
19 - OCTOBER
Annual General Meeting

B
Announcement of annual results for the year 2023
2023
08 - SEPTEMBER

C
2023
27 - OCTOBER
Declaration of the 1st quarter Accounts 2024

D
Declaration of the half yearly Accounts 2024
2024
21 - FEBRUARY

E
2024
25 - APRIL
Declaration of the 3rd quarter Accounts 2024

NOTABLE EVENTS 2024


CHRISTMAS:

Christmas celebration at the workplace is a great way to showcase the positive, inclusive and festive atmosphere within our professional community. As the year comes to a close, we gathered for a delightful Christmas Celebration Event for our Christian employees, with cake cutting ceremony, magic show and multiple fun activities i.e. poke a tree, musical chair, singing competition and Christmas tree decoration etc.


IFTAR DINNER:

In the auspicious month of Ramadan, Kohinoor Textile Mills Limited hosted an Iftar feast for its employees. Our Iftar symbolizes the ties that bind our KTML family together. Ramadan is not just about abstaining from food; it's about nourishing the soul, strengthening bonds, and spreading kindness. May this blessed month fill our hearts with peace, our homes with joy, and our communities with compassion, Ameen.

SOFT SKILLS DEVELOPMENT TRAININGS:

Kohinoor Textile Mills Limited has implemented a comprehensive soft skills development program for its junior executives, consisting of three levels.

MEELAD:

Eid Milad -un-Nabi on 12th Rabi-ul-Awwal is a special day celebrated by Muslims around the world. All female employees of Kohinoor Textile Mills Limited participated in the occasion and the event was marked by various spiritual and cultural activities such as Recitation of Quran , Special Prayers and Duas along with Naat khawani.

NOTABLE
EVENTS 2024

BREAST CANCER AWARENESS SESSION:

Kohinoor Textile Mills Limited organised Breast Cancer Awareness session for its female employees in collaboration with Shifa International Hospital. Informative session held by Oncologists and personal examination by Medical Team of female employees at their willingness. Followed by Role Plays relating to Breast Cancer Awareness and fun filled activities.

WOMEN’S DAY:

Kohinoor Textile Mills Limited held a lively Bar-B-Que and musical evening to honour the accomplishments of women themed “YOU GROW GIRL”. Let’s continue to strive for gender equality, empower each other, and create a world where every woman and girl can fulfil her dreams and aspirations.

DEVELOPING FUTURE LEADERS AND MANAGEMENT DEVELOPMENT PROGRAM

The 'Developing Future Leaders' and 'Management Development Programs' training by LUMS for our key staff members was a transformative experience. It provided invaluable tools and knowledge to cultivate leadership excellence within our team. The program's dynamic curriculum and hands-on workshops empowered our staff to navigate complex challenges and drive innovation. This investment reflects our dedication to nurturing a cadre of capable leaders poised to steer our organization towards future success.

NOTABLE
EVENTS 2024

INDEPENDENCE DAY

Independence Day at our office was a vibrant celebration of Pakistan's rich history and resilience. The workspace was adorned with flags and patriotic colors, setting the stage for a day filled with pride and camaraderie. Colleagues came together for inspiring speeches, traditional music, and a delightful feast, embodying the spirit of unity that defines our nation. It was a day to reflect on our shared journey and to renew our commitment to a prosperous and progressive Pakistan.

SELF ESTEEM

During the year, Kohinoor Textile Mills Limited conducted Self-Esteem training sessions aimed at enhancing employee confidence and overall well-being. This initiative promoted a positive work environment, fostering productivity and growth. The training focused on building resilience, self-awareness, and emotional intelligence. Employees developed essential life skills, improving their ability to cope with challenges. This investment in human capital contributed to a healthier workplace culture. The program received positive feedback from participants, demonstrating its value in supporting employee development.

05 GOVERNANCE

GOVERNANCE

WWW.KMLG.COM/KTML

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on Monday, October 28, 2024 at 12:00 Noon at its Registered Office, 42-Lawrence Road, Lahore, to transact the following business: -

Ordinary Business

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2024 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2) To appoint Auditors for the year ending on June 30, 2025 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

Special Business

3) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors: -

   Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Cement Factory Limited, a subsidiary of the Company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2024 to October 31, 2025 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 19, 2023 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2024.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

4) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Capital Limited, a subsidiary of the Company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2024 to October 31, 2025 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 19, 2023 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2024.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

5) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2024 by passing the following special resolution with or without modification: -

Resolved that the transactions conducted with the Related Parties as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2024 and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed."

6) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2025 by passing the following special resolution with or without modification: -

Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2025.

Resolved further that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

BY ORDER OF THE BOARD

Lahore:
October 07, 2024

(Muhammad Ashraf)
Company Secretary

NOTES

1. The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 21, 2024 will be considered in time to determine voting rights of shareholders for attending the meeting.

2. A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy Form duly completed must be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting.

3. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her original CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of Corporate entities should bring Board's resolution/Power of Attorney with specimen signatures required for the purpose.

4. Pursuant to provisions of Section 134 of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. The members can attend the Annual General Meeting via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of Board Resolution / power of attorney (in case of corporate shareholders) through email at muhammad.ashraf@kmlg.com by October 25, 2024:-

Name of Member/ Proxyholder	Folio No. / CDC Account No.	Cell No. / WhatsApp No.	CNIC No.	Email ID

6. The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

7. The notice of AGM has also been posted on the Company's website. Further, the notice of meeting is being dispatched to the members as per requirements of the Companies Act, 2017, on their registered address, containing the QR enabled code and the weblink address to view and download the annual audited financial statements together with the reports and documents at all times.

8. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their updated e-mail addresses to Share Registrar of the Company for circulation/dissemination of the annual audited financial statements. The audited financial statements for the year ended June 30, 2024 are available on website of the Company. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder on Standard Request Form available on website www.kmlg.com.

9. Pursuant to requirement of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, the

shareholders are requested to provide their bank details including International Bank Account Number (IBAN) of 24 digits in order to receive unclaimed e-dividends. Further, shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;

10. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and mention the folio number and name of your entity thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder;

11. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e. May 30, 2017.

    The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

12. Members are requested to notify immediately any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

13. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or The Manager of Share Registrar, Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2024.

AGENDA ITEM NUMBER 3 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CEMENT FACTORY LIMITED IN THE FORM OF LOANS/ADVANCES:

Maple Leaf Cement Factory Limited, having its Registered Office at 42-Lawrence Road, Lahore (the “MLCFL”), is a subsidiary of the Company and the Company being a holding company, holds 606,497,944 ordinary shares constituting 57.90% of the aggregate paid-up capital in MLCFL, a public listed company engaged in the business of manufacturing and sale of cement and the factory is located at Iskanderabad, District Mianwali.

The Board of Directors of the Company in their meeting held on September 11, 2024 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility to MLCFL on the basis of profit/ financial statements of MLCFL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCFL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking has been kept at the Registered Office of the Company and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	REQUIREMENT	INFORMATION
(i)	Name of associated company or associated undertaking;	Maple Leaf Cement Factory Limited (the "MLCFL")
(ii)	Basis of relationship;	MLCFL is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 57.90% of the aggregate paid-up capital in MLCFL.
(iii)	Earnings per share for the last three years;	(Rupees) Year / Basic / Diluted 30.06.2022 / 3.30 / 3.30 30.06.2023 / 4.18 / 4.18 30.06.2024 / 4.98 / 4.98
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2024 With revaluation surplus Rs. 49.69 Without revaluation surplus Rs. 45.90
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2024 the financial position of MLCFL is as under: -

Particulars	Amount Rupees (000)
Paid up capital	10,475,626
Capital reserves	33,197,422
Revenue reserves: Un-appropriated profits	4,927,636
Surplus on revaluation of fixed assets	4,015,224
Total equity	52,615,908
Current liabilities	18,597,800
Current assets	26,867,837
Revenue	66,452,348
Gross profit	20,964,284
Operating profit	13,069,734
Profit for the year	5,272,527
Earnings per share (Rs.)	4.98

(B) General Disclosures:

<table>
<tr><th>Ref. No.</th><th>REQUIREMENT</th><th colspan="2">INFORMATION</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td colspan="2">Rs. 1,000 million (Rupees one thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">Purpose: To earn income on the loans and/or advances to be provided to MLCFL from time to time for working capital requirements of MLCFL.

Benefits: The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2024 to October 31, 2025.</td></tr>
<tr><td>(iii)</td><td>Source of funds to be utilized for investment and</td><td colspan="2">Loan and/or advance will be given out of own funds of the Company.</td></tr>
<tr><td></td><td>where the investment is intended to be made using borrowed funds, -
(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) Cost benefit analysis;</td><td colspan="2">N/A</td></tr>
<tr><td rowspan="6">(iv)</td><td rowspan="6">Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td>Nature</td><td>Loan / advance</td></tr>
<tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to MLCFL which will augment Company's cash flow.</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2025</td></tr>
<tr><td>Penalty charges</td><td>@3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr>
</table>

Ref. No.	REQUIREMENT	INFORMATION
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a holding company of MLCFL and Eight Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 19, 2023 which is valid till October 31, 2024. There is no impairment and/or write off against the above facility as the facility request was not made by the investee company i.e. MLCFL.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans and advances:

Ref. No.	REQUIREMENT	INFORMATION
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 16.2% for the year ended June 30, 2024.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCFL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCFL is a subsidiary company of the Company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2024 to October 31, 2025 (both days inclusive). MLCFL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2025.

Disclosure under Regulation 4(1):

MLCFL, an associated company, is not a member of the Company. However, its Directors/Sponsors are the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of shareholding in MLCFL	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol	0.0031	4.7118
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	0.0172	11.7117
Mr. Taufique Sayeed Saigol	0.0015	16.5719
Mr. Sayeed Tariq Saigol	0.0010	0.1430
Mr. Waleed Tariq Saigol	0.0011	0.0124
Mr. Danial Taufique Saigol	0.0005	0.0011
Ms. Jahanara Saigol	0.0002	0.0009
Mr. Zulfikar Monnoo	0.0003	0.0011

AGENDA ITEM NUMBER 4 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CAPITAL LIMITED IN THE FORM OF LOANS/ADVANCES:

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and owns 250,000,000 shares (82.919%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing its capital in any sort of financial instruments including but not limited to secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment/ brokerage company.

The Board of Directors of the Company in their meeting held on September 11, 2024 has approved Rs. 1,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking has been kept at the Registered Office of the Company and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	REQUIREMENT	INFORMATION		
(i)	Name of associated company or associated undertaking;	Maple Leaf Capital Limited (the "MLCL")		
(ii)	Basis of relationship;	MLCL is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 82.92% of the aggregate paid-up capital in MLCL.		
(iii)	Earnings per share for the last three years;		**(Rupees)**	
		Year	**Basic**	**Diluted**
		30.06.2022	(15.65)	(15.65)
		30.06.2023	1.91	1.91
		30.06.2024	19.81	19.81
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2024 is Rs. 34.51		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2024, the financial position of MLCL is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up share capital	3,015,000	
		Reserves	7,389,592	
		Total equity	10,404,592	
		Current liabilities	4,163,530	
		Current assets	15,965,253	
		Revenue	9,183,069	
		Profit from operations	8,805,328	
		Profit after taxation	5,971,794	
		Earnings Per Share Rs.	19.81	

(B) General Disclosures:-

<table>
<tr><th>Ref. No.</th><th>REQUIREMENT</th><th colspan="2">INFORMATION</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td colspan="2">Rs. 1,000 million (Rupees one thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">Purpose: To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL.
Benefits: The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.
Period: For a period of one year from November 01, 2024 to October 31, 2025.</td></tr>
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(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
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<tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to MLCL which will augment the Company's cash flow.</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above the three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2025</td></tr>
<tr><td>Penalty charges</td><td>@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr>
</table>


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Ref. No.	REQUIREMENT	INFORMATION
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a holding company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 19, 2023 which is valid till October 31, 2024. There is no impairment and/or write off against the above facility as the facility request was not made by the investee company i.e. MLCL.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans

Ref. No.	REQUIREMENT	INFORMATION
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 16.2% for the year ended June 30, 2024.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCL is a subsidiary of the Company.

Ref. No.	REQUIREMENT	INFORMATION
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2024 to October 31, 2025 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2025.

Disclosure under Regulation 4(1):

MLCL, an associated company, is not a member of the Company. However, its Directors/Sponsors are the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of shareholding in MLCL	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol	5.0249	4.7118
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	11.7117
Mr. Taufique Sayeed Saigol	8.3748	16.5719
Mr. Sayeed Tariq Saigol	-	0.1430
Mr. Waleed Tariq Saigol	0.3648	0.0124
Mr. Danial Taufique Saigol	-	0.0011
Ms. Jahanara Saigol	-	0.0009
Kohinoor Textile Mills Limited	82.9187	-

Disclosure under Regulation 4(2):

Name of Investee Company	Maple Leaf Cement Factory Limited	Maple Leaf Capital Limited
Total Investment Approved:	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on October 19, 2023 for a period of one (01) year.	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on October 19, 2023 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.	Investment has not been made yet to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to MLCFL from time to time as per working capital requirements to MLCFL upon request.	The Company will provide funds to MLCL from time to time as per working capital requirements to MLCL upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loan/advances of Rs. 1,000 million, as per financial statements for the period ended June 30, 2023, the basic earnings per share was Rs.4.18 and breakup value per share (without surplus) was Rs. 40.10. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs. 4.98 and breakup value per share (without surplus) is Rs. 45.90.	At the time of approval of loan/advances of Rs. 1,000 million, as per financial statements for the period ended June 30, 2023, the basic earnings per share was Rs.1.91 and breakup value per share was Rs. 14.67. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs.19.81 and breakup value per share is Rs. 34.51.

AGENDA ITEM NUMBER 5 OF THE NOTICE – RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2024:

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2024 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ratification.

All transactions with related parties to be ratified have been disclosed in the note 38 to the unconsolidated financial statements for the year ended June 30, 2024. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2024	2023
			Rupees in thousand	
Maple Leaf Cement Factory Limited	Subsidiary Company	Purchase of goods and services	14,326	2,142
		Sale of property, plant and equipment	-	6,022
		Expenses paid by MLCFL on behalf of the Company	2,468	2,082
		Common expenses	38,324	36,489
Maple Leaf Capital Limited	Subsidiary Company	Expenses on behalf of MLCL	7,745	5,211
		Payment received against expenses	7,745	6,584
		Payment received against markup on funds transferred	-	1,235
Hutton Properties Limited		Expenses on behalf of the Hutton Properties Limited	18,653	-
		Payment received against expenses	18,653	-
Post-employment benefit plan		Contribution to provident fund	136,353	103,558
Other related parties		Sale of property, plant and equipment	-	1,974

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2023: 73,390,896 [24.52%]) and 55,256,992 [20.52%] (2023: 55,256,992 [18.46%]) ordinary shares of the Company respectively.

The Company carries out transactions as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval.

The nature of relationship with these related parties has been indicated above. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

AGENDA ITEM NUMBER 6 OF THE NOTICE – AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THE RELATED PARTY TRANSACTIONS DURING THE YEAR ENDING ON JUNE 30, 2025:

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2025 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2025, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

CHAIRMAN'S REVIEW

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June 2024 to our esteemed shareholders. Throughout the 2023-24 financial year, we have regularly communicated key performance aspects of your Company. Encouraged by our positive outlook, the Management is committed to maintaining satisfactory performance through strategic guidance from the Board.

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, we have implemented a mechanism for the annual evaluation of performance of the Board of Directors. This evaluation aims to internally assess the effectiveness of the Board and its Committees, ensuring that Management operates as a cohesive team dedicated to the Company's success. Strategic goals for the coming year have been established and the Board's effectiveness is measured against these objectives. I am pleased to report that the Board's self-evaluation for 2024 has met our performance criteria and remains satisfactory, adhering to recognised standards of corporate governance.

Board Composition:

The Board's composition reflects a balanced mix of executive and non-executive Directors, including independent Directors. Collectively, the Board possesses the necessary skills, core competencies and industry knowledge to lead the Company effectively. Each Board member contributes their business judgment to key decisions.

Vision & Mission Statements:

Board members uphold the ethical and professional standards outlined in our Vision & Mission Statements. These principles are integral to achieving our Company's objectives.

Strategic Decision Making:

Our corporate strategy and objectives align with the Board's strategic vision. This vision guides our annual business plan and outlines projected plans for the next five years. The Management is focused on utilizing available resources, modernizing production facilities and expanding operations to ensure continued growth and improved financial performance.

Diligence:

The Board rigorously reviews the quality and appropriateness of the Company's financial statements, reporting practices, accounting policies, corporate objectives, budgets and other reports. Board meetings are held regularly, with agendas and supporting documents circulated well in advance.

Adequate Governance:

The Board has established a Code of Conduct that outlines expected behaviors, supported by comprehensive policies and procedures. We have implemented robust controls and systems to ensure adherence to best practices in corporate governance. Upholding high standards of honesty and integrity is fundamental to our business success.

Presentations:

In discussing and approving financial statements, the Board receives detailed presentations that offer critical and strategic analysis of all functional areas. We benchmark against industry peers to provide objective evaluations of the Company's goals and financial performance. This approach allows the Board to offer informed guidance and oversight based on thorough discussions.

Thank you for your continued support and confidence in the Company.

Tariq Sayeed Saigol
Chairman

Lahore
11 September 2024

DIRECTORS' REPORT
TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors are pleased to present 56th Annual Report along with audited financial statements and Auditors' Report thereon for the year ended 30 June 2024.

PRINCIPAL ACTIVITIES

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.

REVIEW OF OPERATIONS

During the year under review, the Company's overall profitability remained at levels recorded last year, despite dramatically increased finance costs and energy rates. The impact of higher costs was somewhat offset by increased output as new equipment came on stream and capacity utilization improved at the various divisions. Not all the divisions were able to perform to optimum levels owing to the continued slowdown.

The results of the Spinning divisions dipped slightly owing to high energy costs but were buoyed by increased capacities driving sales. However, the higher finance costs which the latest arrivals will bear ultimately drove down after-tax profits. Investment into recycling and circular-economy technologies is ongoing and should drive profitability and lower costs going forward. These investments will be in operation by the end of financial year 2025. The Spinning divisions face a growing challenge with the increase of imported fine count yarns being used in local production, directly competing with the Company's major products. To address this challenge, the Company is increasing its ability to produce a wider range of counts allowing for movement to more profitable counts. These investments are in the planning stage and should be operational in approximately one year.

The results of the Weaving division are the same as those of the previous year, despite a large increase in revenue driven by export growth and increased capacity utilization. These increases were offset by huge increases in finance costs driven by high interest rates and working capital requirements. We expect the division's results to improve in the coming year as forays into new markets, tighter control on working capital and lowering of interest rates are expected to improve profitability.

The Home Textile division's results are similar to those of the previous year, despite increase in exports. However, the impact of increased sales was somewhat vitiated by higher energy and working capital costs. The Company continues to pursue higher unit value product lines in an endeavour to find growth and profitability in more complicated, non-traditional products. Investment to manufacture such products is ongoing. Price and demand decreases driven by recessionary trends in importing countries has created some uncertainty in the industry and will require a cautious approach going forward. This notwithstanding, demand for high-quality and sustainable products, mainstays of the Company, continue to give strong signals. We expect similar results going forward.

The Company continues to drive forward as a leader and innovator of sustainable manufacturing in the textile industry with its installed solar capacity matching its needs at all of its manufacturing sites. At the Company's Rawalpindi site, home to its Processing department, a milestone has been achieved by reaching its goal of a zero-discharge system, with all water used in manufacturing processes, in offices and in the attached housing colony being recycled. Going forward, the Company is exploring novel processes to further enhance the reclaimed water and is exploring power storage solutions to allow for further reduction of reliance on fossil fuel derived energy sources.

The Company has commenced its procurement of cotton and other fibers for the financial year. The management is adopting a cautious approach to its purchase plan as there is high uncertainty as to commodity prices with the perception of a precipitous decline on the horizon.

FINANCIAL REVIEW

During the year under review, Company's sales increased by 38% to Rs. 58,175 million (2023: Rs. 42,047 million), while cost of sales increased by 41% to Rs. 48,888 million (2023: Rs. 34,566 million). This resulted in gross profit of Rs. 9,287 million (2023: Rs. 7,480 million). Operating profit for the year under review stood at Rs. 6,543 million (2023: Rs. 5,131 million). The Company made an after-tax profit of Rs. 2,199 million (2023: Rs. 2,407 million). Earnings per share for the year ended 30 June 2024 were at Rs. 8.07 against Rs. 8.05 for the last year.

GROUP FINANCIAL REVIEW

During the year under review, Group's consolidated revenue increased to Rs. 124,613 million (2023: Rs. 104,120 million), while cost of sales increased to Rs. 92,131 million (2023: Rs. 76,570 million).

This resulted in gross profit of Rs. 32,482 million (2023: Rs. 27,549 million). Earnings per share for the year ended 30 June 2024 were Rs. 41.72 against Rs. 21.55 for the last year.

DIVIDEND & APPROPRIATIONS

Owing to adverse factors, particularly high interest rate, increase in raw material cost and elevated electricity cost were putting strain on cash flows, therefore, the Directors expressed their inability to pay any dividend and did not recommend the final cash dividend for the year ended June 30, 2024 to the shareholders of the Company. However, the management of the Company was firmly committed to a steady stream of payout to the shareholders by way of cash dividend after sizeable deleverage and satisfactory operating cash flows.

The Directors recommend as under:

Description	Rs. "000"
Profit before taxation	2,990,626
Provision for taxation	(791,464)
Profit after taxation	2,199,162
Transfer from revenue reserves to capital reserves	(15,324,509)
Own shares purchased during the year for cancellation	(1,475,279)
Accumulated profit brought forward	17,415,710
Accumulated proﬁt carried forward	**2,815,084**

SUBSEQUENT EVENTS

There are no subsequent events that materially affect the performance, objectives or strategy of the Company. Moreover, there is no material change and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of the report.

BUSINESS RATIONALE OF CAPITAL EXPENDITURE / ONGOING EXPANSIONS OF THE COMPANY

The Company believe that investments and expansions across production sites will keep the Company profitable. So, the Company continues to invest in improving its infrastructure. The Company has added another 936 rotors and 384 MVS spindles at Kohinoor Rawalpindi site during the year. Further, in keeping with its focus on becoming a "green" company, KTML continues to rapidly expand its renewable energy capacity, investing significantly in further solar energy generation. The Company has added another 15 MW solar power generation capacity during the year at its Rawalpindi and Raiwind site.

DEFAULT OF REPAYMENTS, DEBT/LOAN ETC.

Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amount. No default on payment of loan/debts was recorded during the year under review. Furthermore, no payment on account of taxes, duties and levies is overdue or outstanding at financial year end.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks and challenges faced by the Company are as follows: -

i- Declining margins on export sales due to increased competition at global as well as regional levels.
ii. Increased finance cost due to higher interest rates.
iii. Increased energy cost due to rising fuel and power prices.
iv. Overall inflationary increase in operating expenses.
v. Head on competition amongst textile manufacturers on price as well as on sales.

The Organization is effectively equipped to face challenges and uncertainties that are likely to arise. Through combined experience, skill and effective business reporting, Management is always aware of internal and external developments. The Company has formulated unique specialized cross functional teams that routinely discuss key issues and risks to come up with the most forward approach. In response to stiff competition and low margins in export markets, marketing team under the guidance of Management launched an effective market penetration strategy to increase presence in previously untapped markets. To cater to overall inflation, an efficient procurement plan is in place.

CHANGE IN NATURE OF BUSINESS

No change has occurred during the financial year concerning the nature of the business of the Company or of its subsidiaries, or any other company in which the Company has interest.

GOVERNMENT OF PAKISTAN'S POLICIES RELATED TO COMPANY'S BUSINESS & THEIR IMPACT ON PERFORMANCE

Government of Pakistan's policy to keep double digit interest rates and removal of subsidy from power tariff for industry has significant impact on financials of the Company and resulted in higher finance and manufacturing cost.

NON-FINANCIAL PERFORMANCE

Company's non-financial performance in relation to important constituents are as follows.

Human Capital:

Human capital is a significant element in the success of an organization. KTML believes that Organization's long term success is dependent in the advancement of its employees. Considering same organization is continuously investing in the grooming of employees by way of various in house / out sourced training sessions.

Relationship Capital:

KTML enjoys a very healthy & beneficial relationship with its stakeholders, customers, shareholders & suppliers. The Company is currently producing and supplying high-quality products which ensure maximum satisfaction to its customers. The Company is maintaining a highly satisfactory relationship with all its stakeholders.

Intellectual Capital:

Intellectual capital comprises various information systems available in an organization. Management in KTML believes that in order to maintain the competitive advantage it is utmost important to update the technological platform, therefore, the Company is continuously investing in the information technology to remain up to date to deliver the excellent service to its stakeholders.

Natural Capital:

Management is committed for perseverance of natural capital for a prosperous future of coming generations. Management is increasing its investment in SOLAR base power projects in order to deliver a clean environment. Water is also being used wisely to limit the wastage of this scarce resource. Waste water treatment plant has been installed by the Company several years ago to achieve the stated objective.

CORPORATE SOCIAL RESPONSIBILITY

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on consistent basis. The Company has been recognized by the Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence. The Company has contributed in medical social sciences project and in this regard, the Company's Board of Directors decided to donate towards construction of Admin Block at Al-Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. The Company has also contributed in the past for medical social service projects and in this regard the Company donated a state-of-the-art Cardiac facility to GDCH in Lahore by building Sayeed Saigol Cardiac Complex at GDCH.

Kohinoor Maple Leaf Group has received "13th Corporate Social Responsibility National Excellence Award" on account of its performance of various social obligations.

Further, being a responsible citizen, The Company has also donated to Government of Punjab for activities to control pest attack on cotton crops.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

Management understands the harmful effects of contaminated water on the surrounding areas after emission from the mills premises. In order to prevent the potentially harmful effects of any chemicals used in processing on the surrounding water table, a waste water treatment plant has been constructed minimizing or negating any contamination in water discharged from the factory. Further, the Company continues to investigate and implement pilot projects into alternative, sustainable energy sources.

ADEQUACY OF INTERNAL CONTROL

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Management is aware of its responsibility for the preparation and fair presentation of its financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ROLE OF THE BOARD AND ITS MEMBERS TO ADDRESS SUSTAINABILITY RISKS AND OPPORTUNITIES

The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.

The Board ensures that policies to promote Diversity, Equity and Inclusion (DE&I) are in place to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce of the Company.

AUDITORS

The existing auditors of the Company M/s. Riaz Ahmad & Co., Chartered Accountants, in their independent auditor's report on financial statements of the Company for the year have expressed an unqualified opinion on the state of affairs of the Company.

The Board has recommended, as suggested by the Audit Committee, the re-appointment of M/s. Riaz Ahmad & Co., Chartered Accountants, the retiring auditors who being eligible, have offered themselves for appointment for the ensuing year, subject to approval of the members in the forthcoming Annual General Meeting.

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a)	Male	8
b)	Female	1

Composition:

Independent Directors	02
Non-Executive Directors	03
Executive Directors (including CEO)	03
Female Director (Non-Executive)	01

DIRECTORS AND BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held in Pakistan and no Board meeting was held outside Pakistan. No casual vacancy occurred in the Board during the year. The attendance of each Director was as under: -

CATEGORY	NAME	MEETINGS ATTENDED
Independent Directors	Syed Muhammad Shabbar Zaidi Mr. Zulfikar Monnoo	4 2
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Sayeed Tariq Saigol Mr. Waleed Tariq Saigol	4 4 4
Executive Directors	Mr. Taufique Sayeed Saigol *Chief Executive Officer* Mr. Danial Taufique Saigol Syed Mohsin Raza Naqvi	4 4 3
Female Director	Ms. Jahanara Saigol *Non-Executive Director*	4

Leave of absence was granted to the Directors who could not attend the Board meetings.


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23
24

AUDIT COMMITTEE

Four meetings of the Audit Committee were held during the financial year and attendance of each Member was as under: -

NAME	DESIGNATION	MEETINGS ATTENDED
Syed Muhammad Shabbar Zaidi	Chairman (Independent Director)	4
Mr. Zulfikar Monnoo	Member (Independent Director)	2
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)	4
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)	4

Leave of absence was granted to the Members who could not attend the meetings.
Syed Muhammad Shabbar Zaidi, the Chairman of Audit Committee, attended the last AGM held on October 19, 2023.

HUMAN RESOURCE AND REMUNERATION COMMITTEE (HR & RC)

NAME	DESIGNATION
Mr. Zulfikar Monnoo	Chairman (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

During the year under review, one meeting of HR & RC was held on November 20, 2023 and Mr. Sayeed Tariq Saigol did not attend the meeting. However, leave of absence was granted to him.

Board Annually Evaluates the performance of Board Committees including Audit Committee.

The Board would consider to constitute the Nominee Committee and Risk Management Committee and compliance will be made in due course.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS

The Board of Directors has approved a 'Directors' Remuneration Policy', the salient features of which are:

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive, Sponsors and/ or family Directors and full time working Director(s), shall be net of tax amounting to Rs. 100,000/- (Rupees one hundred thousand only) per meeting or as time to time determined by the Board for attending the Board and Rs.10,000/- (Rupees ten thousand only) for its Committee meetings.
- Any tax obligation against such payment applicable for the time being and/or amended hereinafter shall be borne by the Company.
- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges and other expenses incurred by them for attending meetings and for other business conducted for and on behalf of the Company.

The details of the remuneration paid to the Chief Executive and Directors of the Company are disclosed in Note 37 of the Standalone Financial Statements.

FUTURE OUTLOOK

The Company continues to invest in improving its infrastructure, plant and machinery with a focus on quality and capacity increases, as well as diversification of its product lines, keeping in view its quest for long-term sustainable growth. Further, in keeping with its focus on becoming a "green" company, KTML continues to rapidly expand its renewable energy capacity, investing significantly in further solar energy generation. The Company also continues to invest in water recycling technologies with a long-term goal of achieving Zero Liquid Discharge.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2024 is annexed.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation 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

Lahore 11 September 2024	(Syed Mohsin Raza Naqvi) Director	(Taufique Sayeed Saigol) Chief Executive

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE "REGULATIONS")

Name of Company: **Kohinoor Textile Mills Limited**
Year Ended: **June 30, 2024**

This Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors are Nine (9) as per the following composition:

   Male: 8
   Female: 1

2. The Composition of the Board is as follows: -

i.	Independent Directors	02
ii.	Non-Executive Directors	03
iii.	Executive Directors (including CEO)	03
iv.	Female Director (Non-Executive)	01

   Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors, excluding CEO who is considered as deemed Director. The fraction contrived in one-third number is not rounded up as the two elected independent Directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent Director is not warranted;

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company. Although these are well circulated among the relevant employees and directors, the Board shall if mandatorily required consider posting such policies and synopsis of terms of reference of the Board's Committees on its website in near future.

   On June 12, 2024, the Securities and Exchange Commission of Pakistan amended Regulation 10 and introduced Regulation 10A in the Regulations. These changes require the Board to approve an anti-harassment policy and oversee sustainability risks and opportunities, including setting the Company's sustainability strategies and targets. The management is currently reviewing these amendments and will ensure compliance in due course;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Four Directors have obtained certificate for Directors' Training Program and Four Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies as under: -;

Sr. No.	NAME OF DIRECTORS	YEARS OF EXPERIENCE
1.	Mr. Tariq Sayeed Saigol	Exempted from Directors' Training Program
2.	Mr. Sayeed Tariq Saigol	Director of the Company since 1998
3.	Mr. Taufique Sayeed Saigol	Exempted from Directors' Training Program
4.	Mr. Waleed Tariq Saigol	Director in Maple Leaf Cement Factory Limited (MLCFL) since 2004
5.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program
6.	Ms. Jahanara Saigol	Appointed on the Board of the Company on April 23, 2020 and Director in MLCFL since December 31, 2019. Directors' Training Program is non-mandatory and compliance will be made in due course.
7.	Syed Muhammad Shabbar Zaidi	Director in Lucky Core Industries Limited and Gadoon Textile Mills Limited. Certificate obtained for Directors' Training Program
8.	Mr. Zulfikar Monnoo	Director in Rafhan Maize Product Co. Limited since 1990 and certificate obtained for Directors' Training Program
9.	Syed Mohsin Raza Naqvi	Certificate obtained for Directors' Training Program

The Company has planned to arrange Directors' Training Program certification for female executives and head of departments in next few years;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

NAME	DESIGNATION
Syed Muhammad Shabbar Zaidi	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)

b) Human Resource & Remuneration Committee

NAME	DESIGNATION
Mr. Zulfikar Monnoo	Chairman (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

c) Nomination Committee: Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board would consider to constitute nomination committee and compliance will be made in due course;

d) Risk Management Committee: Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board would consider to constitute risk management committee and compliance will be made in due course;

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committees were as per following:

MEETINGS	FREQUENCY
Audit Committee	Four meetings were held during the financial year ended June 30, 2024.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended June 30, 2024.

15. The Board has set up an effective internal audit function which is considered to be suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

(TARIQ SAYEED SAIGOL)
CHAIRMAN

Lahore: 11 September 2024

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KOHINOOR TEXTILE MILLS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kohinoor Textile Mills Limited (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad
Date: 25 September 2024
UDIN: CR202410777QdakWOVAH

A member of Nexia International

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in Listed Companies (Code of Corporate Governance) Regulations, 2019. Four meetings of the Audit Committee were held during the year 2023-2024. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1) The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company including consolidated financial statements and recommended them for approval of the Board of Directors.

2) Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

3) Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with management processes and adequate for shareholder needs.

4) The Audit Committee reviewed and approved all related party transactions.

5) No cases of material complaints regarding accounting, internal accounting controls or audit matters, or Whistle Blowing were received by the Committee.

6) The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.

7) The Board has established internal audit function being an independent appraisal function for the review of the internal control system in all areas of the business activity and provides management with objective

evaluations, appraisals and recommendations on the adequacy, effectiveness and compliance with each system reviewed.

8) Company's internal audit function is headed by a Chartered Accountant with a team of professionals who are suitably qualified and experienced and well aware of the Company's policies and procedures.

9) Internal audit function operates under the charter approved by the Audit Committee and head of the internal audit function has direct access to the Audit Committee.

10) Company's internal audit function prepares annual plan for the financial year and a strategic audit plan for following two years during which all major systems and areas of activity will be audited. Annual and strategic audit plan is approved by the Audit Committee.

11) Internal audit reports include findings, conclusions, recommendations and action plans agreed with management. These are reported promptly to the appropriate level of management. Follow up in implementation is ensured.

12) The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management's responses. This has ensured the continual evaluation of controls and improved compliance.

13) The Audit Committee has reviewed the Annual Report for the last financial year and found it fair, balance and understandable to users of financial statements. Annual Report provides the necessary information to all the stakeholders about the Company's financial performance, financial position and future prospects.

14) Performance of the Audit Committee is annually reviewed by the Board of Directors. However, the Committee is devising a checklist for self-evaluation of its performance.

15) The Audit Committee ensured that statutory and regulatory obligations and requirements of best practices of governance have been met.

16) Present Auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, were appointed as on December 30, 2004. They are professional services company having satisfactory QCR rating. They carry out objective examination and evaluation of the financial statements to make sure that the records are fair and accurate representation of the transactions. They confirm every year that the firm and all Partners in the firm are compliant with the IFAC guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

17) The external auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, were allowed direct access to the Audit Committee and necessary coordination with internal auditors was also ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.

18) The Audit Committee reviewed the Management Letter issued by the external auditors and the management response thereto. Observations were discussed with the auditors and required actions recorded.

19) Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, as external auditors for the year 2024-2025.

On behalf of the Audit Committee

(Syed Muhammad Shabbar Zaidi)
Chairman, Audit Committee

11 September 2024

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited

Mr. Tariq Sayeed Saigol is the Chairman of Kohinoor Maple Leaf Group (KMLG). He is a member of the reputed Saigol Family who pioneered in textile manufacturing after partition and later ventured into the financial sector, chemicals, synthetic fibres, sugar, edible oil refining, civil engineering, construction, cement and energy.

Mr. Saigol was schooled at Aitchison College, Lahore and graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.

He started his career in 1968 at Kohinoor's Chemical Complex at Kala Shah Kaku. Upon trifurcation of the Group in 1976, he became Chief Executive of Kohinoor Textile Mills Limited, Rawalpindi. Since 1984, he has been Chairman of Kohinoor Maple Leaf Group which has interests in textiles, cement manufacturing and energy.

He remained Chairman of All Pakistan Textile Mills Association from 1992 to 94, President of Lahore Chamber of Commerce and Industry for 1995-97 and Chairman of All Pakistan Cement Manufacturers Association from 2003-2006.

Mr. Saigol was a member of the Federal Export Promotion Board and Central Board of State Bank of Pakistan. He has also served on several Government Commissions and Committees on a number of subjects, including Export Promotion, reorganization of WAPDA and EPB, Right Sizing of State owned Corporations and Resource Mobilization. He is the author of "Textile Vision 2005" which was adopted by the Government in 2000 and also its critique prepared in 2006. He also served as a member of the Central Board of State Bank of Pakistan for a second term in 2007 and was a member of the Prime Minister's Economic Advisory Council established in 2008.

He takes keen interest in the development of education and health care in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan, member of the Syndicate of University of Health Sciences and Member of Board of Governors of Aitchison College, Lahore. He presently serves on the Managing Committee, Gulab Devi Chest Hospital, Lahore.

In recognition of his contribution, he was conferred with the civilian award, Sitara-e-Isaar by the President of Pakistan in 2006.

He is a keen golfer and has represented Pakistan at Golf in Sri Lanka and Pakistan in 1967.

MR. TAUFIQUE SAYEED SAIGOL
(CHIEF EXECUTIVE / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
Maple Leaf Capital Limited

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited
Novacare Hospitals (Private) Limited

Mr. Taufique Sayeed Saigol is the Chief Executive of Kohinoor Textile Mills Limited and Director in all KMLG companies. He is a leading and experienced industrialist of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974. He has widely travelled and his special forte is in the export business. He is a business man of impeccable credibility and vision and has substantial experience of working in different environments.

MR. SAYEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited

DIRECTOR
Maple Leaf Capital Limited
Novacare Hospitals (Private) Limited

Mr. Sayeed Tariq Saigol is the Chief Executive Officer of Maple Leaf Cement Factory Limited and Maple Leaf Power Limited. He graduated from McGill University with a degree in management. Mr. Sayeed Saigol also has several years of work experience in the textile industry. Prior to joining Maple Leaf Cement, he was involved in setting up and managing an apparel dyeing company. He is a member of the Board of Governors of the Lahore University of Management Sciences.

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited
Novacare Hospitals (Private) Limited

Mr. Saigol was schooled at Aitchison College, Harrow School and holds a bachelor's degree from the London School of Economics & Political Science. He has a rich experience of Textile & Cement Sectors and is currently the Chief Executive Officer and Director of Maple Leaf Capital Limited (MLCL). Over the years, he has acquired deep insight in capital market activities. His expertise of capital market operations has helped MLCL to become one of the leading investment management companies in the country.

He serves on the Boards of Kohinoor Textile Mills Limited, Maple Leaf Cement Factory Limited, Maple Leaf Power Limited and Novacare Hospitals (Private) Limited. He is also a Member of Audit Committees of both the listed companies of Kohinoor Maple Leaf Group and is keenly involved in formulation of vision, strategies and governance structures of these companies. His valuable deliberations and able guidance are considered valuable assets.

He is a keen golfer and has won several tournaments in Pakistan.

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Capital Limited
Maple Leaf Power Limited

Mr. Danial Taufique Saigol is the younger son of Mr. Taufique Sayeed Saigol, CEO of KTML. Danial began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada and certified Director from the Institute of Chartered Accountants of Pakistan. He is currently posted at Kohinoor Textile Mills, Rawalpindi.

MS. JAHANARA SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Capital Limited

Ms. Jahanara Saigol is daughter of renowned industrialist, Mr. Tariq Sayeed Saigol who is the Chairman of Kohinoor Maple Leaf Group. She has completed PhD in Islamic Art and Architecture at SOAS, University of London. She has also obtained degrees in MA, SOAS, University of London and M. St, University of Oxford.

SYED MUHAMMAD SHABBAR ZAIDI
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Lucky Core Industries Limited
Gadoon Textile Mills Limited

Syed Muhammad Shabbar Zaidi was appointed as an Independent Director on the Board of Directors of Lucky Core Industries Limited and Gadoon Textile Mills Limited.

A chartered accountant by profession, Mr. Zaidi served as the 26th Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020. He previously also served as a Provincial Minister for Finance, Board of Revenue and Excise & Taxation, in the Government of Sindh during the 2013 caretaker setup.

Mr. Zaidi was also a member of the Federal Government Task Force for Reform of Tax Administration in 2002 and authored the report.

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006. Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Among his non-profit work, he is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of Board of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL).

Mr. Zaidi has also authored books, including 'A Journey for Clarity' and 'Pakistan: Not a Failed State'.

MR. ZULFIKAR MONNOO
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited
Unilever Pakistan Foods Limited,
Rafhan Maize Products Co. Limited

DIRECTOR / CHIEF EXECUTIVE
Pakwest Industries (Pvt.) Limited

Mr. Zulfikar Monnoo joined the Board of Unilever Pakistan Foods Limited when the company was formed. He is past Chairman and now a member of both the Audit and the HR& R Committees.

He is also Director of Rafhan Maize Products Co. Limited since 1990 and a member of both the Audit and the HR& R Committees.

He is the Chief Executive of Pakwest Industries (Pvt.) Ltd., Lahore. He is an alumni of The Wharton School, University of Pennsylvania and Aitchison College, Lahore.

He is a businessman with experience of more than three decades as a director having degree of bachelor in science and economics with a major in finance from University of Pennsylvania – Wharton School. He obtained Directors' Training certification from Pakistan Institute of Corporate Governance in 2012. His special expertise/ specialized skills are Finance & Accounting, Human Resource, sales and has industrial experience in food & textile ingredient manufacturing as well as artificial leather (coated fabrics).

SYED MOHSIN RAZA NAQVI
(DIRECTOR/GROUP DIRECTOR FINANCE / CHIEF FINANCIAL OFFICER)

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER
Maple Leaf Cement Factory Limited
Maple Leaf Capital Limited
Maple Leaf Power Limited

DIRECTOR
Agritech Limited
Novacare Hospitals (Private) Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with more than three decades of Financial Management experience. His areas of expertise include: financial projections, forecasting-short term and long-term cash flows, business strategy development, acquisitions and evaluations of business units, establishing company's reporting structure, implementing budgetary control procedures, implementing financial software, organizing finance and treasury functions of the Company.

He is currently Board member of Maple Leaf Cement Factory Limited, Kohinoor Textile Mills Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited, Agritech Limited and Novacare Hospitals (Private) Limited and certified Director from Pakistan Institute of Corporate Governance.

He is former Board member of Kohinoor Mills Limited and many other foreign reputable companies. He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

All the Directors are suitably qualified and experienced while four Directors have obtained certificate for Directors' Training Program and four Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies.

Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in Listed Companies (Code of Corporate Governance) Regulations, 2019.

RELATED PARTY TRANSACTIONS

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Moreover, the Company has also decided to place its related party transactions before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, General Manager (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary. None of the Directors, CFO, General Manager (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company since the date of previous Annual Report.

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

No issue was raised by the valued shareholders in the last Annual General Meeting held on October 19, 2023 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.

ROLE OF CHAIRMAN AND THE CEO

The Company's Chairman Reports to the Board and the CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly. Their respective roles are being described hereunder:

ROLE OF THE CHAIRMAN	ROLE OF THE CEO
Principal responsibility is the effective running of the Board.	Principal responsibility is running the Company's business.
Responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Company's strategy and overall commercial objectives.	Responsible for proposing and developing the Company's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
Guardian of the Board's decision-making process.	Responsible with the executive team for implementing the decisions of the Board and its Committees.
Responsible for promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.	Responsible for promoting, and conducting the affairs of the Company with the highest standards of integrity, probity and corporate governance.

CHAIRMAN'S SIGNIFICANT COMMITMENTS

List of companies in which the Chairman holds directorship has been separately disclosed in the Director Profile section of the Annual Report.

MATTERS DECIDED BY THE BOARD OF DIRECTORS

The Board of Directors approves overall corporate strategy which is in line with Company's Vision. All the Strategic Decisions of the Company are taken by the Board. As sanctioned by the Companies Act 2017 and authorized by Articles of Association of the Company, following decisions are taken by the Board namely: -

- Issue of shares;
- Approval of financial statements;
- Approval of bonus to employees;
- Incurring capital expenditure and disposal of fixed assets;
- Declaration of interim dividend;
- Writing off bad debts, advances and receivables;
- Writing off inventories and other assets of the company;
- Make borrowings in the form of loans, debentures, leasing contracts or redeemable capital
- Investment of funds of the company;
- To determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favor of a company may be released, extinguished or relinquished
- Other matters of strategic nature e.g. taking over a company or acquiring a controlling or substantial stake in another company;

MATTERS DELEGATED TO THE MANAGEMENT

Management of the Company is entrusted with the responsibility to conduct operations of the Company adhering to corporate strategy approved by Board of Directors. Tactical and operational matters are delegated to the Management of the Company which mainly include:

- Cash flow Management;
- Selling and Marketing;
- Compliance with legal requirements;
- Production Management;
- Procurement Management and
- Other support functions like Human Resource Management.

COMPENSATION POLICY OF EXECUTIVE DIRECTORS WHO ALSO SERVE OTHER COMPANIES BOARD OF DIRECTORS

Executive Director of the Company shall be appropriately compensated for their service in the Company and for representation on the Company's Board. This compensation shall take into consideration the amount of time required to be devoted to Board activities, the fiduciary responsibility of such positions and the competitiveness of the compensation levels. Compensation is subject to change at the discretion of the Board. Board may approve revision in Director's Compensation Policy from time to time. No fee is paid to Executive Directors of the Company by way of their appointment in other associated in the capacity of Non-Executive Director. Moreover, none of our Executive Director is working as Non-Executive Director in companies which are not associated companies.

SECURITY CLEARANCE OF FOREIGN DIRECTOR

No foreign director was on Board of Directors of the Company during the year.


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TERMS OF REFERENCE OF BOARD COMMITTEES

AUDIT COMMITTEE

The Main Terms of Reference of the Audit Committee are as under: -

(i) Determination of appropriate measures to safeguard the Company's assets;

(ii) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

(a) major judgmental areas;
(b) significant adjustments resulting from the audit;
(c) going concern assumption;
(d) any changes in accounting policies and practices;
(e) compliance with applicable accounting standards;
(f) compliance with these regulations and other statutory and regulatory requirements; and
(g) all related party transactions.

(iii) Review of preliminary announcements of results prior to external communication and publication;

(iv) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

(v) Review of management letter issued by external auditors and management's response thereto;

(vi) Ensuring coordination between the internal and external auditors of the Company;

(vii) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

(viii) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

(ix) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

(x) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

(xi) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;

(xii) Determination of compliance with relevant statutory requirements;

(xiii) Monitoring compliance with these regulations and identification of significant violations thereof;

(xiv) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

(xv) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof.

(xvi) Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE (THE 'HR & R COMMITTEE')

The Main Terms of Reference of the HR & R Committee are as under: -

i. Recommending human resource management policies to the Board;

ii. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

iii. Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and

iv. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

MANAGEMENT COMMITTEES & TERMS OF REFERENCE

PROJECT MANAGEMENT COMMITTEE

Project management committee (PMC), serves as a driving forum to monitor the progress of agreed goals & objectives of the company on consistent basis, and steer the organization in right direction in order to achieve the stated vision and mission of the organization.

MEMBERS

Director
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource
Head of Department – Commercial

Terms of reference

- Possible review each of the project areas - activities or sub projects.
- Developing a framework for integrating planning.
- Tools for achieving sustainable coastal economies and environments.
- Handling financial issues, budget monitoring and modifications.
- Develop standards & follow-up project progress.

NO. OF MEETINGS HELD: 18

BUSINESS PROCESS REENGINEERING COMMITTEE

Business Process Re-engineering (BPR) team has been formed to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed on consistent basis. Information technology and information systems are the main areas of interest where management is rigorously investing considerable resources to determine and then opt what feasible technological options are available that best meets the goals of the organization in order to remain cost competitive and provide the maximum return to stakeholders.

MEMBERS

Director
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource

Terms of reference

- Our BPR team implies specific business objectives such as cost reduction, time reduction, output quality improvement.
- We focus on the most important processes that reflect our business vision.
- Understand and measure the existing process to avoid repeating of old mistakes and to provide a baseline for future improvements.
- Design and build the prototype of new processes and ensure quick delivery of results
- and involvement and satisfaction of customers.

ENERGY MANAGEMENT COMMITTEE

Management has strong commitment towards securing the future of company, to remain competitive and provide the maximum return to stakeholders. Efficient use of energy cannot be compromised therefore; Energy Management Committee (EMC) has been formed to suggest the cost cutting opportunities for the sake of improvement in performance through wise energy use in all the departments of the company.

MEMBERS

Director
Head of Department - Engineering
Head of Department - Finance
Head of Department - Production
Head of Department - Marketing

Terms of reference

- Our team is committed for annual energy cost reductions from continuous improvements.
- To minimize environmental impacts, it


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JWTM

incorporates energy efficiency, water conservation, waste minimization, pollution prevention, resource efficient materials and indoor air quality in all phases of a building's life.

- EMC design plans that help us meet our climate protection commitments.
- The appointment of a full time energy management coordinator ensures the plan proceeds.
- Responsible for energy procurement, monitoring and targeting energy savings, maintaining program of energy saving measures, raising energy awareness and corporate wide energy monitoring and reporting.

TOTAL QUALITY MANAGEMENT COMMITTEE

Total Quality Management (TQM) committee is formed to improve quality at every level in the organization. TQM is an organization wide program aimed to ensure standardization and continual improvement in all its products, services, processes & procedures. This program lays down the Quality Management standards for all the processes & rocedures in the organization and is equipping the existing human resources to improve their innate abilities in order to achieve the desired level of performance through synergistic activities.

MEMBERS

Director
Head of Department - Quality Assurance
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource
Head of Department - Commercial

Terms of reference

- Standardization of processes and operations within every function of the Company.
- Introduction of Performance Measurement System by developing Key Performance Indicators and continuous compilation of their associated data, analysis and reporting to concerned stakeholders, so that performance of every key function and process is monitored, controlled, and improved.
- Reduction and elimination of wastages from different processes.
- Improvement in organization wide abilities, procedures and plans.
- Training of employees on basic, medium and advanced problem solving and statistical tools in order to improve their analytical abilities.
- Creation of various forums within an organization where quality improvement initiatives are formally institutionalized, e.g. Kaizen, Quality Circles, and Functional / Cross Functional Teams.

STANDARD OPERATING PROCEDURES REVIEW COMMITTEE

Standard operating procedures review committee has been formed to review and update SOP's for all the activities / procedures being performed in the Company & develop new SOP's if required.

MEMBERS
Director
Head of Department - Internal Audit
Head of Department - Marketing
Head of Department - Production
Head of Department - Finance

Terms of reference

- Documentation of all the important activities and procedures.
- Standardization of documents as prescribed by Quality Management standards.
- Incorporation of industry best practices in the procedures to make the system efficient and effective.
- Elimination of duplication of records in different procedures.

OTHER CORPORATE MATTERS

ANNUAL EVALUATION OF BOARD PERFORMANCE

The Board has set a criterion based on emerging and leading practices to assist in the self-assessment of an individual director and the full Board's performance. It is not intended to be all-inclusive. When completing the performance evaluation, Board considers the following main performance evaluation process or behaviour: -

- Adequate Board composition.
- Satisfactory processes and procedures for Board meetings.
- The Board sets objectives and formulates an overall corporate strategy.
- The Board has set up adequate number of its Committees.
- Each Director has adequate knowledge of economic and business environment in which the Company operates.
- Each Board member contributes towards effective and robust oversight.
- The Board has established a sound internal control system and regularly reviews it.
- The Board reviews the Company's significant accounting policies according to the adequate financial reporting regulatory framework.
- The Board considers the quality and appropriateness of financial accounting and reporting and the transparency of disclosures.

EVALUATION CRITERIA OF BOARD PERFORMANCE

Following is the main criteria:

- Financial policies reviewed and updated;
- Capital and operating budgets approved annually;
- Board receives regular financial reports;
- Procedure for annual audit;
- Board approves annual business plan;
- Board focuses on goals and results;
- Availability of Board's guideline to management;
- Regular follow up to measure the impact of Board's decisions;
- Assessment to ensure compliance with code of ethics and corporate governance.

During the year under review, the performance review of Board was not carried out by any external consultant.

PERFORMANCE REVIEW OF BOARD COMMITTEES

Performance of Board Committees is regularly evaluated by the Board of Directors based on the terms of reference as defined and approved by the Board.

CEO'S PERFORMANCE REVIEW

The performance of the CEO is regularly evaluated by the Board of Directors and this evaluation is based on the criteria defined by the Board of Directors which includes various financial and non-financial key performance indicators (KPIs). At the start of the year, CEO presents his KPI for the upcoming year to the Board of Directors. The Board periodically evaluates the actual performance against those KPIs during the year and discusses the future course of action to attain the Company's stated goals. The CEO also appraises to the Board regarding an assessment of senior management and their potential to achieve the objectives of the Company.

BOARD'S REVIEW OF BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board of Directors periodically review the Company's Business Continuity & Disaster Recovery (BC/DR) plan to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that have access to those functions even under extraordinary circumstances. BC/DR plan mainly includes daily tasks such as customer/ suppliers correspondence, production data, trading activities, project management, system backups and help desk operations.

The primary activities of the Board for the execution of the plan include:

- To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.
- To ensure that a Business Continuity Recovery Team includes representatives from all business units.
- To provide ongoing business continuity training to all employees, including executive management and the Board.
- Ensure that thorough current business impact analysis and risk assessments are maintained.

- Ensure a centralized executive view of the business continuity plan and programs.

CONFLICT OF INTEREST MANAGEMENT POLICY

The Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid any conflict of interest, identify the existence of any conflict of interest, and to disclose the existence of conflict of Interest. The Company annually circulates and obtains a signed copy of Code of Conduct applicable to all its employees and Directors, which also relates to matters relating to conflict of interest.

Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by all its employees and Directors. The Company Policy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of non-compliance. The Policy is intended to assist directors and employees in making the right decisions when confronted with potential conflict of interest issues.

MANAGEMENT OF CONFLICT OF INTEREST

The primary goal of Kohinoor policy is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. To do this Kohinoor has set the following procedures to manage and monitor the conflict of Interest:

- Identify areas of risk.
- Develop strategies and responses for risky areas.
- Educate all employees about the conflict of interest policy.
- Communicate with stakeholders to provide the platform for proper disclosure.
- Enforce the policy.

Further, the Directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of the insider information. Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director do not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor services is a vital element for sustained business growth and we want to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retain existing relationships and therefore, Investor satisfaction becomes critical to the Company. Investor queries and complaints constitute an important voice of Investor, and this policy details grievance handling through a structured grievance framework.

Grievance policy is supported by a review mechanism, to minimize the recurrence of similar issues in future. Investors has the facility to call toll free call centre 24/7 to register their grievances. The Company's Grievance policy follows the following principles:

- Investors are treated fairly at all times.
- Complaints raised by Investors are dealt with courtesy and in a timely manner.
- Investors are informed of avenues to raise their queries and complaints within the organization and their rights if they are not satisfied with the resolution of their complaints.
- Queries and complaints are treated efficiently and fairly.
- The Company's employees work in good faith and without prejudice, towards the interests of the Investors.

SAFETY OF RECORDS

The Company is effectively implementing the policy to ensure the safety of the records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's Records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the Company's Records through the development

of a coordinated records Management program;

- To ensure preservation of the Company's Records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required, and disposed of in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.

COMPANY'S APPROACH TO MANAGING AND REPORTING POLICIES

Kohinoor Textile Mills Limited is committed to being transparent, accountable, and ethical in how we manage and communicate our policies. We believe that having clear policies is crucial for our organization. We create, share, put into action, and regularly check these policies. We involve relevant stakeholders and follow industry best practices and legal requirements when forming our policies. To make sure everyone understands and follows these policies, we make them easily accessible to all employees through our intranet platform. We also provide regular training to our employees to help them understand and comply with these policies.

Our policies give clear instructions to everyone, including our management and those we report to externally. We review our policies and procedures, such as those related to buying, waste management, and reducing emissions, regularly. We do this to make sure we stay up to date with changes in laws, operate efficiently, and follow the best global practices.

IT GOVERNANCE POLICY

Kohinoor has properly documented and implemented IT governance Policy to ensure an integrated framework for evolving and maintaining existing information technology and acquiring new technology to achieve the Company's strategic focus. The purpose of this policy is to define the IT governance scope, and its roles and responsibilities. IT Governance policy consist of the following:

- To provide a structured decision making process around IT investment decisions.
- Promotes accountability, due diligence, efficient and economic delivery of the Company's IT services.
- Lay down solid foundation for management decision making and oversight.
- Safeguard of Company's financial data.
- Development and up gradation of different modules to provide reliable, efficient and timely information.
- To create a culture of paper less environment within the Company.

GOVERNANCE OF RISK AND INTERNAL CONTROLS

Kohinoor Textile Mills Limited (KTML) risk management framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of KTML's long term objectives and business strategy. Risk assessment is performed regularly to create a good understanding of the company's key risks, and take any relevant steps to address them. Due to their importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by the Management. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on KTML and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

DISCLOSURE OF DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS/ CONFLICT OF INTEREST OF BOARD MEMBERS

In order to avoid a known or any perceived conflict of interest, formal disclosure of vested interests is encouraged under the Policy for Conflict of Interest.

The Policy comprises of not only the principles provided under the regulatory requirements but also encompasses global best practices. The board members are responsible for appropriate self-disclosure in a transparent manner. In addition to description and quantification of any foreseen conflict of interest prior to finalization of the proceedings' agenda, the members' suggestions and comments during proceedings of the board meetings are duly recorded accordingly for appropriate evaluation.

EMPLOYEE HEALTH, SAFETY AND PROTECTION

Kohinoor Textile Mills Limited (KTML) has very high regard for the health and safety of its employees. The Company ensures that all Environment, Health & Safety (EHS) related dimensions are considered while developing its strategies, policies, practices and procedures. The key elements of Health and Safety policy are as follows:

- To take all necessary steps to ensure that operational practices comply with the stipulated procedures as well as with national and international regulations, guidelines and standards.
- Provide effective EHS training to all employees and outsourced contractors. This enables them to assist persons who become injured in the event of an accident or emergency situation until help arrives.
- To prevent accidents and cases of work-related injuries / health hazards, the EHS function shall manages the health and safety risks at the workplace by undertaking a risk assessment and bridging the identified gaps.
- A periodic review of Environment Health & Safety will be conducted for routine and non-routine jobs at all site of KTML.
- Health and Safety related procedures / work-instructions are developed and displayed prominently at production sites, workshops and other locations where employees works, in the form of posters, standees and sign boards in Urdu and English languages with relevant pictures.
- Proper record of all work related instances of injuries and incidents shall be maintained.
- Periodically conduct EHS internal and external auditing to continually improve operating systems.

PROVIDING REASONABLE OPPORTUNITY TO THE SHAREHOLDERS FOR PARTICIPATION IN THE AGM

Kohinoor Textile Mills Limited (KTML) encourages shareholders, especially minority shareholders to participate in the AGM, the date of which is announced well before statutory time through stock exchange and publication in newspapers. The Company also encourages its shareholders and different analysts to attend its corporate briefing sessions.

BOARD'S DISCLOSURE ON COMPANY'S USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

The information system is core to the effective and efficient management of business operations and the management is profound of its significance. The growing complexity of business operations and ever-increasing information needs of business partners can only be managed through a robust information system. The Company has implemented the Oracle E-Business Suite (Oracle ERP) as its core information system which not only integrates the business operations including sourcing, supply-chain, warehousing, and manufacturing but also delivers the financial reporting requirements of a wide range of internal and external stakeholders.

The IT Steering Committee, consistently reviews the entire system development process and ensure continuous improvement through deployment of the latest technological developments. With latest advancement in the field of information technology, the committee ensures that all the tech-upgrades, including hardware and software, are performed regularly to keep the security and integrity of the information systems intact.

Design and Integration of Core Business Processes in a Single Information System Oracle E-Business Suite is the world leading ERP information system that provides ultimate integrated business modules to capture day-to-day, financial and non-financial, business transactions and a robust platform enabling us to meet the information needs of all the internal and external stakeholders. Kohinoor Textile Mills Limited (KTML) uses different modules of financials and supply chain which are integrated, and help ensures data integrity and process controls. This information system provides the automation, integration, and intelligence that is essential to efficiently run all business operations.

Management„s support in continuous updating of ERP System

IT Steering Committee oversees the entire process of information system development and implementation across the Company. The core objective of this committee is to supervise the development and implementation of new system-base initiatives in the organization which bring improvements in business-processes and increase the work-efficiency of the Company's resources with enhanced controls for effective management of complex business operations. The management puts great emphasis, in collaboration with Oracle Support and related technology partners, in leveraging the IT to bring efficiency in daily operations and improvements with the help of system-built controls.

Oracle User Trainings

In-house training programs are conducted where users are provided a refresher on all modules for effective use of the system. In addition, department can also request for training of any specific module for their new hires and existing team members.

Management of Control Risk Factors on ERP Projects

The new processes are tested extensively prior to finalizing and to ensure it has catered all the requirements and have all the controls needed to achieve effective business results. Change management and risk management is the key focus of any ERP project. KTML ensures that the process of change management is focused from the start of the project. Awareness sessions for the process owners and management impacted by the project are conducted. Process owners are made part of the project team to ensure their participation and ownership. An extensive training sessions for the process owners, users and management are conducted prior to the project is concluded. All these actions are taken to ensure smooth and trouble free ERP project implementation.

System Security and access controls

In order to grant access to the system, Information Technology department ensures that conflicting duties are not assigned. There is an annual process of access rights review, during which process owners ensure that rights assigned to the users are appropriate and meet their job responsibilities. Furthermore, for all the sensitive transactions, workflows are also implemented in the ERP, which enables the two-person rule.

HUMAN RESOURCE MANAGEMENT

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork. The main objectives of the Company's HRM policy are:

- Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team work and synergetic efforts.
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

Further to note no. 42 of standalone Financials of the Company for year ended 30 June 2024, factory employees are as follows.

2024	2023
6,462	5,982

INITIATIVES TAKEN BY MANAGEMENT IN PROMOTING & ENABLING INNOVATION

Innovation initiates when a Company understands the requirements of its customers. At KTML we do believe that Customer always come first. Management at KTML is maniacal about understanding the customers, their sensitivities, preferences and desires. Monitoring of customer interaction, sales and retention is regular feature of management practice at KTML that help us to remain innovative in meeting ever changing customer requirements.

SUCCESSION PLANNING

The Company believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Rigorous succession planning is also in place throughout the organization. Succession planning ensures that employees are constantly groomed-up to fill each needed role.

MERIT BASED RECRUITMENT

The Company follows a merit-based recruitment policy, ensuring that hiring decisions are made solely on qualifications and performance, without bias. This approach guarantees a fair and transparent selection process, focusing on each candidate's skills and potential in line with the company's recruitment policy.

PERFORMANCE-BASED APPRAISAL SYSTEM

We have implemented a Performance-Based Appraisal System in accordance with our policy, ensuring that evaluations are grounded in individual performance, achievements, and contributions. During the appraisal, specific objectives are set for each person for the following year, and their performance is assessed against these objectives in the next cycle. This method promotes fairness and reflects our commitment to recognizing and rewarding merit.

PROMOTION, REWARD, AND MOTIVATION

Our Promotion, Reward, and Motivation process emphasizes merit and performance. Promotions are based on achievements and skills, while rewards include competitive compensation and recognition programs. We also provide professional development opportunities and a supportive environment to keep employees motivated and aligned with our organizational objectives.

TRAINING AND DEVELOPMENT OF EMPLOYEES

No company, small or large, can win over the long run, without energized employees, who believe in the Mission of the company and understand how to achieve it. In KTML, we look for people who exemplify continuous improvement when we are spotting future successors. In this relation, the Company also expends a lot in terms of finances and time for the training of its resources as is evident from the below trainings held during the year:

- Emotional Intelligence
- Effective Communication Skills
- Management Development Program
- HSE Emergency Response Training
- Developing Future Leaders
- Employee Awareness session
- Financial Literacy (Special Person)
- Knowledge sharing session
- Leadership skills
- Soft Skills
- Workplace ethics and Health & Hygiene

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between financial performance and corporate, social and environmental responsibility. The Company believes that the observance of sound environmental and social strategies is essential for building strong brand and safeguarding reputation, which in turn is vital for long term success.

SOCIAL RESPONSIBILITY POLICY

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behaviour which improve values like integrity and transparency.
- Focusing on social involvement by developing multicultural teams with different competencies.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions that focus in particular on preserving life and the environment.
- Maintaining collaborative relations with the society through a good harmony and effective communication.

ENVIRONMENTAL RESPONSIBILITY POLICY

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.
- Responsibly managing the use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

POLICY ON DIVERSITY

At Kohinoor Textile Mills Limited, we aim to be an inclusive organisation, where diversity is valued, respected and built upon. We recruit and retain a diverse workforce irrespective of religious and political beliefs, gender, race, ethnicity, disability, education, colour, language, age, socioeconomic background, and geographic location or region. The culture of the Company values differences and recognises that stakeholders from different backgrounds and experiences can bring valuable insights to enable a collaborative work environment by introduction of varied ideas and perspectives within the Company. We aim to pro-actively tackle discrimination and to ensure that no individual or group is directly or indirectly discriminated against for any reason regarding employment and the Company bears no tolerance for harassment/bullying and persecution. The company has a whistle blowing policy in place, and employees are encouraged to report all such matters and related grievances to the Human Resources department.

The Board ensures application of diversity policy through Human Resource department by ensuring that all talent hunting seminars, job fairs and advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences are appreciated rather than criticized for novel ideas and improvements. Furthermore, Internal Audit department ensures and reports compliance of diversity policy on periodic basis.

QUOTA FOR PEOPLE WITH DISABILITIES

The management is committed to fostering an inclusive workplace and actively supports the employment of people with disabilities through a dedicated quota system. The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 3% quota of the total workforce necessitated to be allocated to disabled persons.

EMPLOYEE ENGAGEMENT AND FEEDBACK

We prioritize Employee Engagement and Feedback through regular surveys and one-on-one meetings. We actively seek employee input to understand their needs and perspectives, fostering a collaborative work environment. This feedback drives continuous improvement, enhances job satisfaction, and ensures our strategies and policies align with employee expectations and organizational goals.

To foster a supportive work environment, the company initiated weekly ‘Tea Talk’ sessions, providing a platform for employees to share their experiences and concerns, allowing management to address worker-related issues and enhance overall well-being at KTML.

DIVIDEND POLICY

Owing to possible strain on cash flows due to high interest rates, increase in energy prices and buy-back of shares during the year by the Company, the Directors express their inability to pay any dividend and did not recommend the final cash dividend for the year ended June 30, 2024 to the shareholders of the Company. The management of the Company is firmly committed to a steady stream of payout to the shareholders by way of cash dividend after sizeable deleverage and satisfactory operating cash flows.

WHISTLE BLOWING POLICY

In line with the Company’s commitment to open communication, the whistle blowing policy through non-conformance reporting was designed to provide an avenue for employees to raise concerns, and reassurance that they will be protected. As an aware and attentive organization, Kohinoor believes in the conduct of the affairs of its business in a fair and see-through approach by adopting the uppermost principles of professionalism, truthfulness, reliability and principled manners. The said policy has the following main procedures:

- All Protected Disclosures should be addressed to the nominated Ombudsperson of the Company.
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible English, Urdu or in the regional language.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower.
- Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- Anonymous disclosures will not be entertained by the Ombudsperson as it would not be possible for it to interview the Whistle Blowers.
- If initial enquiries by the Ombudsperson indicate that the concern / complaint has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage.
- Where initial enquiries indicate that further investigation is necessary, this will be carried through in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- In Kohinoor, no whistle blowing related incidence was highlighted and reported under the above said procedures during the year.

DETAILS ABOUT BOARD MEETINGS & ITS ATTENDANCE

Details about Board meetings and its attendance is covered in Directors' Report to the Shareholders.

COMPANY'S CONTRIBUTION TO NATIONAL EXCHEQUER & ECONOMY

During the year the Company has contributed amount of Rs. 7,805.59 million (2023: Rs. 6,727.26 Million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 68.129 million (2023: Rs. 53.132 Million) to the national treasury by way of export sales.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

The management of Kohinoor Textile Mills Limited believes to follow best governance practices that can be implemented in the Company's environment. To implement these practices the minimum benchmark is to comply with all the legal requirements. However, the management goes ahead to implement best governance rules and practices that are followed globally and are in favour of the Company's shareholders, employees, environment and community.

Following additional governance practices implemented by the management include:

- Disbursement of additional corporate and financial information to shareholders and legal authorities, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of 5S policy to create a healthy and work friendly environment together with efficiency and effectiveness.
- Implementation of Health, Safety and Environment Policy for better and safe work place environment for employees, workers and surrounding community.

The Company understands and fulfils its corporate social responsibility and has implemented various social projects for welfare of the community.

The Company has made detailed disclosures about in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Moreover, the Company has also decided to place it's before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

06 IT GOVERNANCE AND CYBERSECURITY

IT GOVERNANCE AND CYBERSECURITY

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IT GOVERNANCE AND CYBER SECURITY

ASSESSMENT AND ENFORCEMENT OF LEGAL AND REGULATORY COMPLIANCE REGARDING CYBERSECURITY RISKS

The internet knows no borders, neither do we. Our expert teamwork across borders, combines data protection, privacy, regulatory, white collar and litigation expertise in order to deliver seamless crisis management and legal advice, whenever and wherever needed. As part of its evaluation of all risks facing the business, the Management has also evaluated the cyber risks and enforcement of legal and regulatory implications in case of any breaches. KTML has implemented robust measures to safeguard its network security and enforce stringent controls to protect data privacy. Currently, within the context of the company's operations, the Management has categorized cyber risk as low.

The IT Division has flourished with innovative ideas, driving accelerated business growth through the successful completion of numerous high-profile digital initiatives in the past year. During this remarkable journey, the IT Division has:

1. Leveraged internal capabilities to achieve significant cost savings by internally implementing multiple advanced digital solutions and monitoring systems.
2. Surpassed uptime commitments for IT services.
3. Successfully executed a live disaster recovery site for critical IT services.

IT GOVERNANCE AND CYBERSECURITY INITIATIVES PROGRAMS

KTML has formed an IT Steering Committee comprising a high level of management personnel that oversees concerns related to IT governance. This committee has developed a detailed Information Security policy, procedures, and control framework which is benchmarked against high-level of global standards for information security.

CYBERSECURITY AND BOARD'S RISK OVERSIGHT

The Board, while performing risk oversight functions, also reviews and evaluates the information system security risks. Internal Audit department of the Company regularly performs audits of the Information Systems.

CONTROLS ON EARLY WARNING SYSTEM

The company has established a comprehensive set of controls and procedures for its 'Early Warning System,' designed to enable the timely identification, assessment, mitigation, and disclosure of cybersecurity risks and incidents to the IT steering committee. KTML has implemented the following early warning control systems:

- Network Monitoring and Management Information System:

  This system monitors and promptly issues alerts and warnings related to Outages, Uptime, and various Quality of Service (QoS) parameters. Key areas under surveillance include:

  - The health of servers and the status of their services
  - Company-wide Internet connectivity
  - Company-wide wired and wireless network connectivity
  - Solar Internet of Things (IoT) devices and interconnected devices

- Primary Data Center Fire Alarm System:

  This system provides essential alerts in the event of smoke or fire.

- Primary Data Center Fire Suppression System (FM200):

  This system offers critical alerts and includes an automatic fire suppression mechanism.

- Primary Data Center Environment Monitoring System:

  Alerts are generated for humidity levels, temperature, rack door status, smoke detection, and water leakage.

- Disaster Recovery (DR) Site Environment Monitoring System:

  This IoT-based system provides alerts and monitoring capabilities for door access, smoke detection, temperature, humidity levels, and water leakage at the DR site.

- Biometric and Facial Recognition Access Control System:

  Installed at both the Primary and Disaster Recovery sites for enhanced physical security.

POLICY REGARDING INDEPENDENT SECURITY ASSESSMENTS OF THE TECHNOLOGY ENVIRONMENT

As a policy, vulnerability assessments are carried out on regular basis. In addition to the in-house audits and reviews, third party assessments and reviews of technology environment and networks are carried out to ensure that adequate controls are in place to address the cybersecurity risk and to evaluate the overall company's readiness regarding security incidents.

CONTINGENCY AND DISASTER RECOVERY STRATEGY

This comprehensive strategy is meticulously crafted to safeguard the entire company's operations and assets, while also ensuring regular archival and system backups at remote locations. The Disaster Recovery Plan undergoes regular testing to verify the preparedness of IT systems in the event of a disaster. The robust contingency and disaster recovery plan, designed to address potential IT failures or cyber breaches, includes the following key elements:

- Deployment of a signature-based firewall with live signature and pattern updates, offering robust protection against various types of breaches and cyberattacks.
- Deployment of gateway-level security for web and email inspection and control, extending to endpoint and enterprise network security measures.
- Implementation of Antivirus and Spam engine within the Email server to detect and prevent viruses and spam.
- Utilization of an Enterprise End-Point Security solution across company-wide computers and laptops to provide protection and monitoring against viruses, ransomware, malware, and similar threats.
- Real-time data replication from the primary site to the disaster recovery site for all critical servers and services, ensuring data integrity and availability.
- Creation of physical encrypted backups for important and critical data, stored on removable media securely housed in a fireproof cabinet at the disaster recovery site.
- Insurance coverage for critical IT equipment against risks such as fire, theft, and accidents.

LEVERAGING DIGITAL TRANSFORMATION FOR ENHANCED TRANSPARENCY AND GOVERNANCE

KTML has embarked on several strategic digital transformation initiatives aimed at modernizing key functions.

- The company has embraced cloud-based technologies for its communication platforms and business analytics.
- IOT based solutions deployed across KTML different sites to monitor and control real-time information of processes and machines.
- AI based facial recognition attendance system has been implemented for efficient and proxy less attendance management system.
- Robotic Process Automation (RPA) is being implemented to replace laborious human intensive operations with computerized bots making the process more efficient and reliable.
- Visual AI is also under discussion with different implementation scenarios.

CYBER SECURITY RISK MITIGATION THROUGH EDUCATION AND TRAINING

- Periodic circulation of security awareness emails to both IT users and all users to provide education on critical and emerging security threats.
- Active participation in webinars and workshops designed to foster networking and heighten awareness of global and industry-specific challenges.
- Distribution of newsletters and various subscription-based resources to keep stakeholders informed.
- Promotion of training and skill enhancement programs to empower individuals with the knowledge and capabilities necessary to bolster cybersecurity defenses.


07 FUTURE OUTLOOK

FUTURE OUTLOOK

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FORWARD LOOKING STATEMENT

The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The production costs have increased due to non-controllable factors like rising energy cost, Pak Rupee devaluation and inflation, but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values.

FINANCIAL FORECAST

Following are the financial forecasts for FY 2025 based on management's best estimates. We are confident that the Company will be able to meet the challenges presented by local as well as international markets.

Financial Forecast	FY 2024-25 Rs. in Million
Revenue	60,922
Gross Profit	9,548
Profit from operations	6,331

In order to achieve the above mentioned forecasts, we are taking / planning to take following measures:

FOREX AND FINANCIAL RISKS

In order to mitigate exposure stemming from currency exchange rate volatility, our approach entails maintaining a delicate equilibrium between imports and exports. Historically, we have maintained a surplus in exports over imports to curtail our net foreign currency exposure, which also act as natural hedge against negative impact of currency devaluation on imports. We are further advancing our strategic efforts to augment the proportion of our export business within our overall portfolio, particularly in the fabric and home textile / bed-wear segments. Simultaneously, within the yarn business segment, we are progressively incorporating a higher percentage of locally sourced cotton in our product-mix to reduce our reliance on imported cotton and consequently mitigate associated currency devaluation risks.

The escalated finance costs can primarily be attributed to two factors. Firstly, the high / double digit policy rate enacted by the central bank, encompassing the reduction or elimination of textile-specific financing subsidies for both long-term and short-term financing facilities. Secondly, our heightened capital expenditures during recent periods, driven by expansions in our spinning and weaving production facilities. These expansions, also, necessitated increased short-term borrowings to finance growing working capital requirements.

To effectively manage the financial risk posed by these mounting interest expenses, we have implemented rigorous measures to streamline our working capital requirements, thereby reducing the cash cycle.

Further, following additional measures will also improve the performance of the Company in the coming years and will help to achieve the above mentioned targets for FY 2025:

- Addition of 3MW of new solar plants reduces around 6.04 Million pounds (equivalent to 3,022 tons) of carbon dioxide emissions annually and at the same time will reduce the energy cost.
- The BMR (Balancing, Modernization, and Replacement) of plant and machinery will improve product quality and enhance customer satisfaction, leading to higher sales revenue.
- Focusing on expanding the export business in niche, high-value products will lead to increased profit margins.
- A gradual decrease in the policy rate by the central bank toward the end of FY 2024 and subsequent to year-end will help to reduce finance costs and enhance the Company's profitability.

Financial & Non-financial considerations

Financial considerations used to make the projections of the Company which are as follows:

- Increase in sales volume for all types of products.
- Reduced cost of production through:
  a. optimizing power generation mix
  b. Effective management of financial cost as mentioned above

Non-financial measures are the many intangible variables that impact performance of the Company. These are difficult to quantify compared to financial measures but equally important. These indicators are more likely to be closer to the long-term organizational strategies. Following are the non-financial measures in place by the Company:

- Stakeholders' engagement – different committees and forums are in place and meetings are held periodically to keep the stakeholders involved in every aspect of the business.
- Customer satisfaction – Company places strong emphasizes on customers' satisfaction and ensure to produce & deliver the goods as per specific demands of customers.
- Employees' development - the Company has conducted various training courses for the development of existing human capital.

- Innovation in manufacturing methods – ongoing R & D is in place to improve the production process and efficiencies.

RESPONSE TOWARDS CHALLENGES & UNCERTAINTIES

The Organization is effectively equipped to face challenges and uncertainties that are likely to arise. Through combined experience, skill and effective business reporting, management is always aware of internal and external developments. The Company has formulated unique specialized cross functional teams that routinely discuss key issues and risks to come up with the most forward approach. In response to stiff competition and low margins in export markets, marketing team has launched an effective market penetration strategy to increase presence in previously untapped markets. To cater to overall inflation an efficient procurement plan is in place.

SOURCES OF INFORMATION AND ASSUMPTION

The preparation of 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. Actual results may differ from these estimates under different assumptions or conditions.

Estimating useful life of assets

The useful lives are estimated having regard to the factors as asset usage, maintenance, rate of technical and commercial obsolescence. The useful lives of assets are reviewed annually.

Taxation

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Employees benefit scheme

The Company operates an approved funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and employees at the specified percentage of basic salary and cost of living allowance to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

STATUS OF CURRENT AND PREVIOUS PROJECTS

During the year the Company has successfully completed the installation of 936 rotors and 384 MVS spindles at its Rawalpindi division, increasing the production capacity of open-end yarn & MVS yarn by 35% and 100%, respectively.

In recognition of the growing importance of renewable energy, the Company has increased its solar power generation capacity by 15MW this year, bringing the total capacity to 30MW. Additionally, there are plans to add further 3MW solar power generation capacity at the Rawalpindi site in Financial year 2025.

ANALYSIS OF PRIOR YEAR FORWARD LOOKING DISCLOSURE

The Company has earned a revenue of Rs. 58 Billion (2023: Rs. 42 billion). Increase was mainly witnessed in Spinning & Weaving divisions due to capacity expansion. Gross profit margin decreased mainly due to rising energy prices and increased cost of imported raw material. Finance cost remained high as compared to preceding year due to higher policy rate enacted by central bank and reduction of subsidized financing that was available to Textile Sector. All these factors have contributed towards decreased bottom line as compared to previous year.

FUTURE RESEARCH AND DEVELOPMENT INITIATIVES

As part of our future outlook, the Company is dedicated to advancing overall Research & Development initiatives to drive innovation and sustainability. Our focus will be on utilizing the cutting-edge technologies that enhance production efficiency and reduce environmental impact. We plan to research on advanced material, aiming to create more sustainable and eco-friendly textile products.

Additionally, we are exploring new energy-efficient processes and renewable energy integrations to further minimize our carbon footprint. Our commitment to continuous improvement and innovation ensures that we remain at the forefront of the industry, delivering value to our stakeholders and contributing to a sustainable future.

08 STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

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STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

POLICY FOR STAKEHOLDERS' ENGAGEMENT

Kohinoor Textile Mills Limited maintains sound collaborative relationships with its stakeholders. The Company understands the importance of continuous collaboration with shareholders of the Company regarding all significant decisions to be made, the performance of the Company in varying circumstances, challenges it faced and the necessary steps taken to mitigate those challenges.

BOARD'S INTERACTION WITH MAJOR SHAREHOLDERS

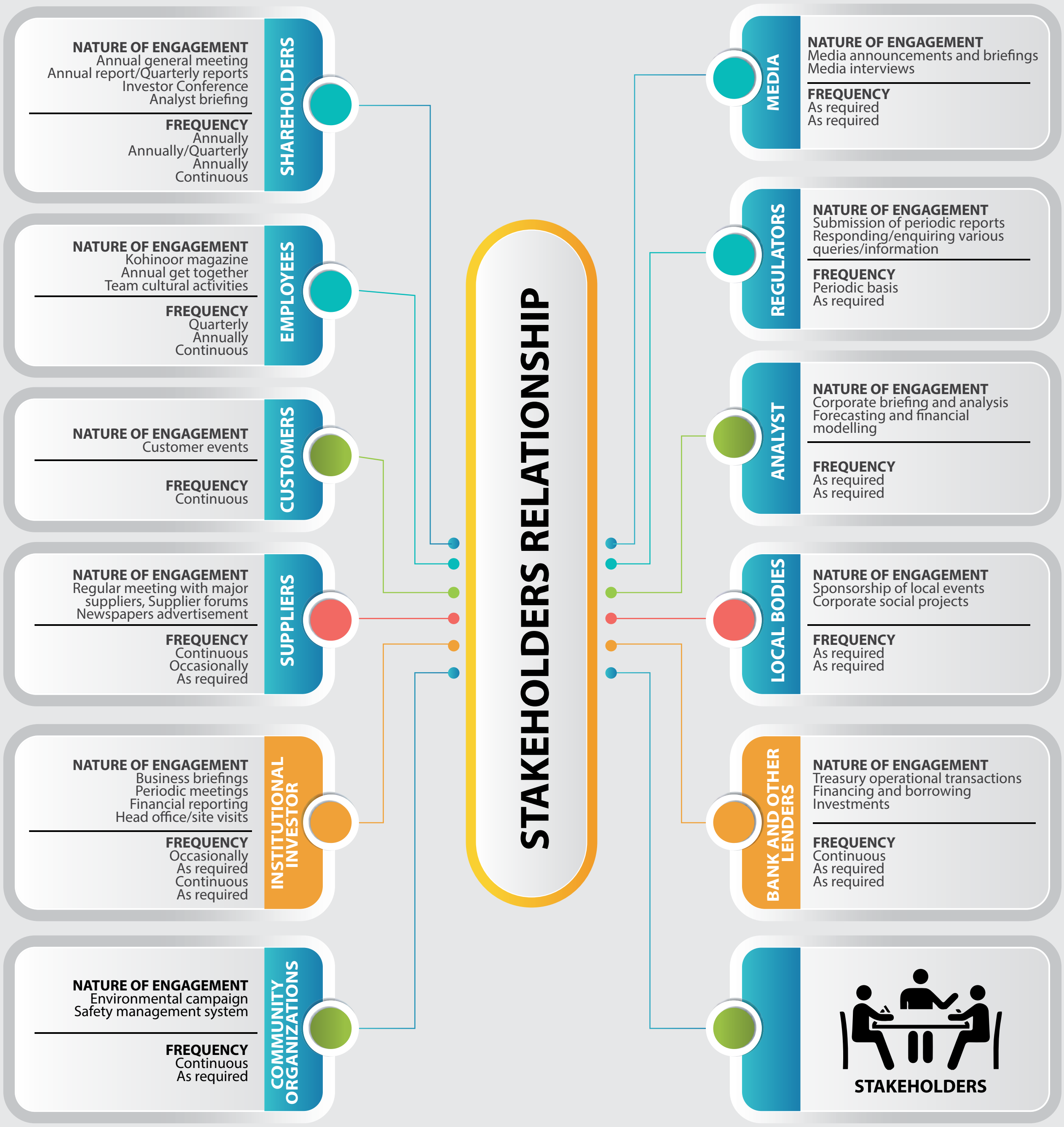
The Board has devised a mechanism to arrange interactive sessions between management of the Company and its shareholders to solicit and understand views of shareholders. It includes management briefings to its shareholders about the performance of the Company, macro and micro economic factors affecting the Company, prospects of the Company and the steps taken by the Company to improve its performance in challenging circumstances. These communications help the Board to understand and resolve the concerns of the shareholders and to add synergy factor to achieve better results in the Company's prospects.

PROCEDURES FOR STAKEHOLDERS ENGAGEMENT

Procedures for stakeholders engagement includes effective communication, good harmony, compliance with laws & regulations and customer focused approach which are the key success for establishment of collaborative relationship with stakeholder.

ENGAGEMENT FREQUENCY

The Company maintains its good relationships with all stakeholders based on mutual interest, integrity and confidence. We maintain collaborative relations with our stakeholders through harmonious and effective communication and through our customer focused approach. Moreover, the Company maintains good relationship with its Bankers and arranges Investors' conferences periodically to discuss business prospects and financial management plans with the Lenders which also enhances their confidence in the Company.



STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

Notice of Annual General Meeting is sent to all shareholders of the Company at least twenty-one days before the date fixed for meeting. Such notice is published in Urdu and English languages in at least in one issue each of daily newspaper of respective language having nationwide circulation. Further, notice of AGM is also placed on Company's website. To capture the interest of minority shareholders the Company has been conducting corporate briefings, conference calls and road shows on regular basis including regularly updating our website about Company's general conditions.

SIGNIFICANT CORPORATE BRIEFING SESSIONS

The interactive sessions include the annual general meeting, extra ordinary general meetings, corporate briefings/road shows, responding to investor queries either raised on email, website or on telephone. During the year, following corporate briefings session was held with investors:

- Corporate Briefing Session (November 2023)

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

The Company disseminates information to its investors and shareholders through a mix of information exchange platforms, including its corporate website. The website is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information besides the link to SECP's investor education portal; the 'Jamapunji'.

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

During the year under review no formal complaints has been lodged by any shareholder of the Company.

CORPORATE BENEFITS TO SHAREHOLDERS

Throughout the fiscal year, our dedication to enhancing shareholder value remained unwavering. During the past few years, shareholders have enjoyed the benefits of both value appreciation and dividend distributions. We continue to prioritize sustainable growth, with a focus on delivering long-term value through prudent financial management and strategic market positioning.

09 BUSINESS MODEL



BUSINESS MODEL

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BUSNIESS MODEL

Kohinoor Textile Mills Limited (KTML) is a Public Listed Company engaged in the manufacture of Textile based product. The Company aims to maximize shareholder value by adopting a unique marketing mix strategy which offers superior quality products at competitive prices. Through smart and efficient Marketing, the Company solidifies its hold in a vastly competitive market to certify that KTML is a renowned symbol of trust and ethical integrity. Management stringently monitors its KPI's to measure and predict drivers of change to design innovative emergent strategies to better explore potential opportunities and mitigate business risks.

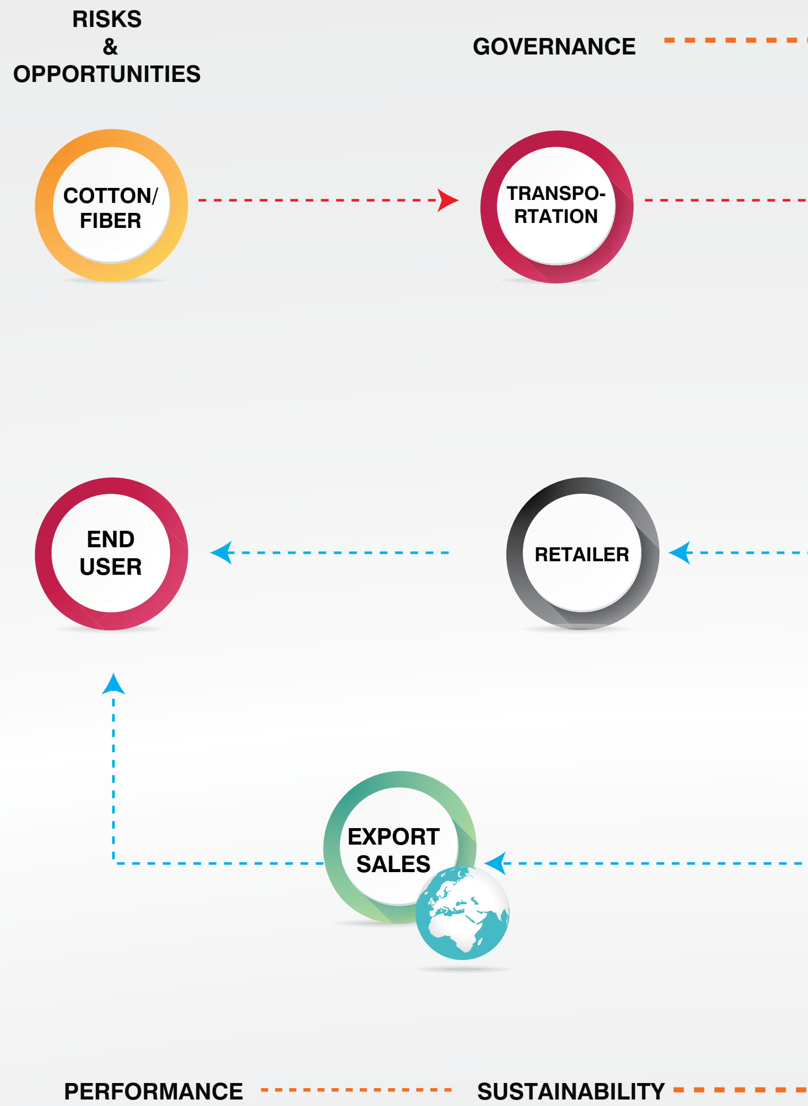
OUR CAPITALS (INPUTS)	OUR BUSINESS ACTIVITIES

Financial Capital
Rs 36,316 M capital employed
Equity 29,233 M
Total non-assets Rs 34 B
Long term loans Rs 7.1 B

Manufactured capital
Physical assets employed by the company for its operational endeavors.
3 Textile production sites
180,144 Spindles, 768 MVS spindles
3,648 rotors, 384 looms
100,935 MW energy generated from fossil fuel
30.787 MW energy generated from solar power

Intellectual Capital:
Enterprise Resource Management (ERP) Software
Human Capital: 6,462 Number of Persons employed
Social and relationship Capital:
Efficient Marketing Department
Supply Chain Department
Financial Institution

Natural Capital
26,639 M.Tons cotton consumption in production
137,503 MMBTU natrual gas consumed in process
6,845 M.Tons fossil fuel for energy generation
1,186,591 M. Tons water consump-tion



INDUSTRY, INNOVATION AND INFRASTRUCTURE

DECENT WORK AND ECONOMIC GROWTH

AFFORDABLE AND CLEAN ENERGY

OUR CAPITALS (OUTPUTS)

STRATEGY & RESOURCE ALLOCATION

PLANT

DEALER

YARN/ GREY CLOTH/ HOME TEXTILE

WARE HOUSE

OUTLOOK

Yarn Produced (Kg in '000): 103,157

Cloth produced (Meter in '000) : 45,229

Cloth Processed (Meter in '000): 17,700

OUTCOMES:

Financial Capital:
Rs. 7,806 Million contribution to national ex chequre Rs. 82.96 share price at year end
Rs. 58,115 Million Net sales
USD 68.129 Million Earned through export sales

Manufacturing Capital Vertically integrated Textile Unit
Human Capital Rs. 4,985 Million salaries and wages paid
Social & Relationship Capital Rs. 0.8Million Donation Made
ISO 9001 & 14001
Natural Capital Waste Water Treatment Plant
Solar Park

Key elements of the business model & relevance of those elements to the Company.

Capital	Key Elements
Input	Cotton, Man-made Fiber
Business Process	Spinning, Weaving, Process & Stitching
Out Put	Yarn, Greige Cloth, Home Textiles
Outcome	Economic & Social Benefits

10 STRIVING FOR EXCELLENCE

IN CORPORATE REPORTING



STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

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COMPLIANCE WITH INTERNATIONAL INTEGRATED REPORTING FRAMEWORK (IR)

Kohinoor Textile Mills Limited is engaged in the production and sale of yarn, cloth and textile products. Management of the Company following the spirit of adhering to the best corporate governance practices and its reporting thereof is committed to generate greater value for the organization and its stakeholders. Keeping in view the globalized business scenario and the ever-increasing expectations of all the stakeholders being users of published annual report, integration of corporate governance briefings, social and environmental information with financial information is vital to organizational position and performance reporting.

The Company has adopted the International Integrated Reporting (IR) Framework to give an overview of the Company's business affairs by presenting all the financial and non-financial information considering the variable interests of a wide range of stakeholders. The management is committed to achieve excellence in transparent reporting in all aspects. The Company annually reviews the IR Framework to continuously improve the quality of information produced, and communicates its operations, brand, and financial structure to the stakeholders.

Furthermore, the Company is prepared to manage any risk that may affect the long-term sustainability of the business and has progressed ahead in this Report to incorporate all 8 core Content Elements of IR Framework: -

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Management acknowledges its responsibility of the integrity of this Report and have applied their collective mind and effort in its preparation and presentation. Full efforts have been made to disclose all material information to its stakeholders unless Management is of the view that its disclosure would cause significant competitive harm, however, it stands to note that there is a certain degree of challenge to objectively quantify certain qualitative factors that add value in the wake of disruption caused by the global COVID - 19 pandemic.

Even so, we are moving ahead with the tradition of providing information to its stakeholders that goes beyond the traditional requirements of financial reporting framework and other legal requirements, by doing so we believe the stakeholders gain a better understanding of the Company, its business, strategies, opportunities and risks, business model, governance and performance which itself is a form of value creation for its stakeholders.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/IFRS vital to true and fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. The Report has been prepared in compliance of:-

- The International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)
- Provisions and directives of Companies Act, 2017
- Code of Corporate Governance Regulations, 2019
- Best Corporate Report (BCR) guidelines issued by ICAP & ICMAP.
- Core guidelines of the Integrated Reporting Framework issued by the IIRC.

11 ANALYSIS OF THE FINANCIAL INFORMATION

ANALYSIS OF THE FINANCIAL INFORMATION

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2024
YEAR AT A GLANCE

01
GROSS PROFIT
RUPEES IN THOUSAND
9,287,331

02
PROFIT BEFORE TAX
RUPEES IN THOUSAND
2,990,626

03
REVENUE
RUPEES IN THOUSAND
58,174,952

04
PROFIT AFTER TAX
RUPEES IN THOUSAND
2,199,162

05
GROSS PROFIT RATIO
16%

06
SHAREHOLDER'S EQUITY
RUPEES IN THOUSAND
29,232,556

07
RETURN ON FIXED ASSETS
9.49%

08
CURRENT RATIO
1.16

09
EARNINGS PER SHARE
Rs. 8.07

10
CASH FLOW FROM OPERATIONS TO SALES
6.65%

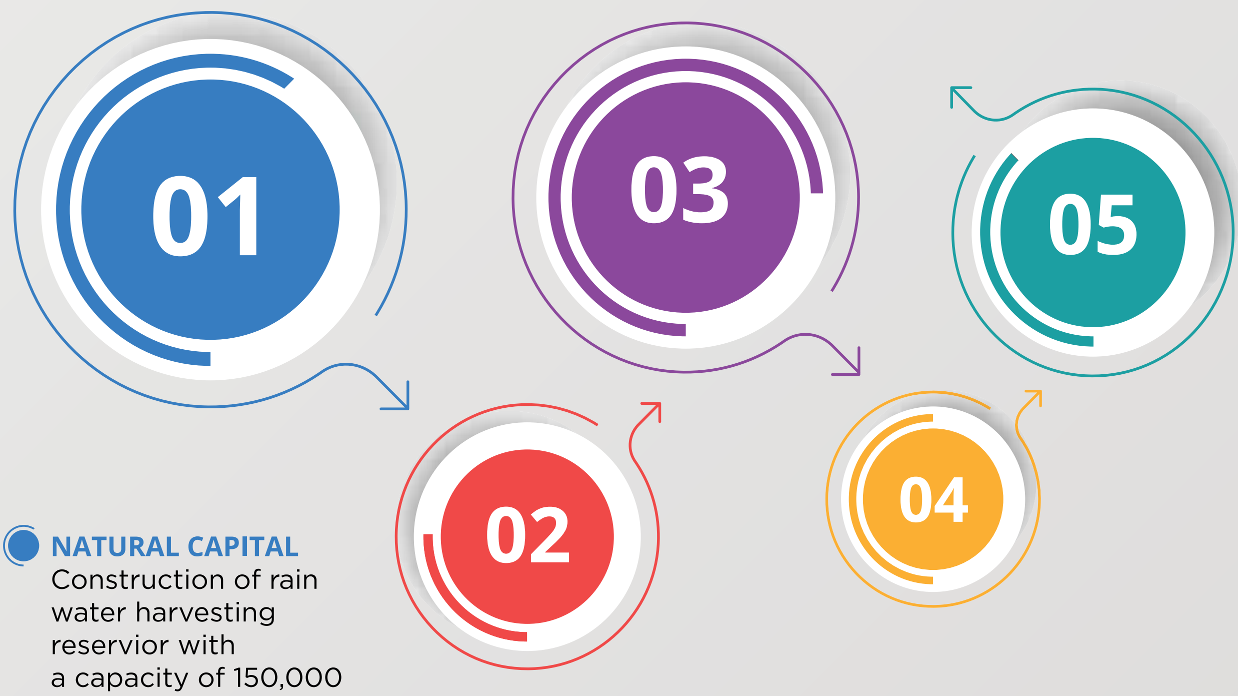
11
EBITDA Percentage to Sales
13.60%

12
INTEREST COVER RATIO
1.95

NON-FINANCIAL
KPIs

MANUFACTURED CAPITAL
Addition of 384 MVS spindles and 936 rotors at Rawalpindi production facility.

HUMAN CAPITAL
Revenue per employee 9,338 (Rupees in thousand).
Total Employee count of 6,462 employees.
152 female employees (2023: 284 female employees).



NATURAL CAPITAL
Construction of rain water harvesting reservior with a capacity of 150,000 metric tonnes.

Solar plants with a capacity of total 30 Megawatt (2023: 14.5 Megawatt).

Reduction in carbon emission is approximately 57.48 million pounds (equivalent to 28,740 tons) annually.

INTELLECTUAL CAPITAL
State of the art Enterprise Resource Planning software i.e. Oracle R-12.

SOCIAL AND RELATIONSHIP CAPITAL
Contribution to National Exchequer 7.806 (Rupees in billion).

FINANCIAL REVIEW

FINANCIAL POSITION

Highlights of financial position as at 30 June 2024 are as follows:

Particulars	2024	2023
	(Rs. In Million)	
Equity (share capital and reserves)	29,233	26,395
Long term borrowing	7,073	7,450
Short term borrowing	7,504	6,895
Non-current assets	34,371	30,359
Current assets	17,483	17,528
Capital employed	43,759	40,737

COMMENTS ON FAVOURABLE / (UNFAVOURABLE) VARIANCES IN FINANCIAL RESULTS:

Equity (Share capital and reserves)

- Equity increased by 9.71% from Rs. 26,395 million (2023) to Rs. 29,233 million (2024) due to profits and surplus on revaluation of freehold land during the year.

Long term borrowing

- The reduction of Rs. 377 million this year, in contrast to last year's massive increase of Rs. 2,259 million, highlights the significant investments made in expanding and modernizing our production facilities and solar power generation plants in the current & prior year.

Short term borrowing

- The rise in short-term borrowing this year aligns perfectly with the growing business operations and the heightened working capital needs of the Company.

Trade and other payables

- Trade and other payables increased by Rs. 793 million, an increase of 17% in the financial year ended 30 June 2024 as compared to previous year on account of increase in the trade creditors during the year.

Non-current assets

- Increase in non-current assets amounting to Rs. 4,012 million (2023: Rs. 4,261 million) is due to planned modernization of production & power generation facilities and revaluation surplus on freehold land.

Current assets

Stock-in-trade

- Current assets have remained stable compared to last year. Due to improved inventory management, a decrease in stock in trade of Rs. 1,981 million was observed.

Trade debts

- Trade debts experienced a notable increase of Rs. 2,007 million, reaching Rs. 6,438 million this year, up from Rs. 4,431 million in 2023. This growth is a testament to our expanding customer base and rising sales volume.

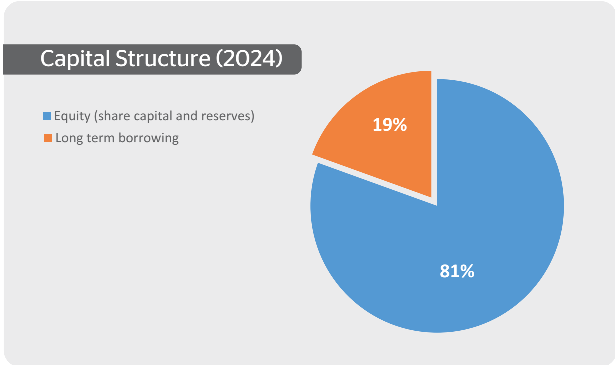
Other receiveables

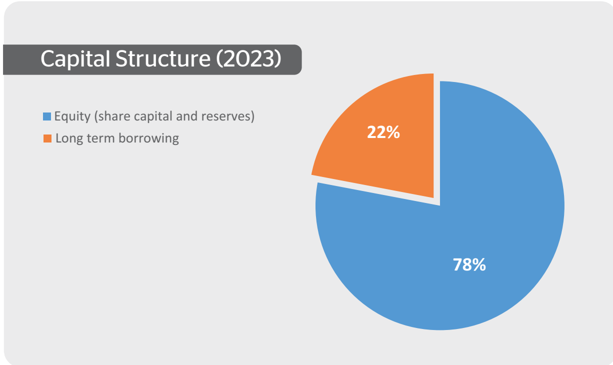
- Other receivables did not show any significant rise or fall during the year.

Reserve against capacity expansion

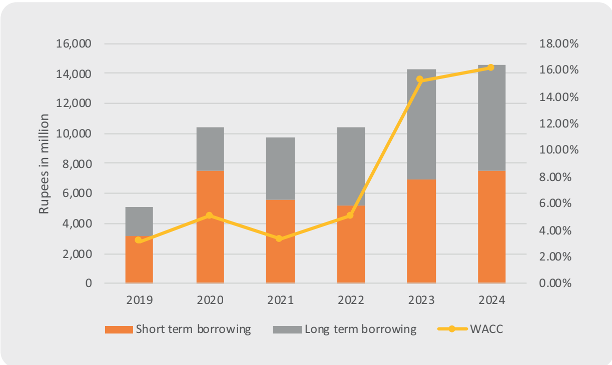
The Board of Directors of the Company approved on 13 June 2024 that, over the years the Company has continued with its expansion strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the revenue reserves of the Company has been utilized and are not entirely available for distribution as dividend. Therefore, the Board decided to re-classify a sum of Rupees 16.775 billion from the revenue reserves to separate capital reserves (not available for distribution by way of dividend) to more accurately reflect the nature of these reserves.

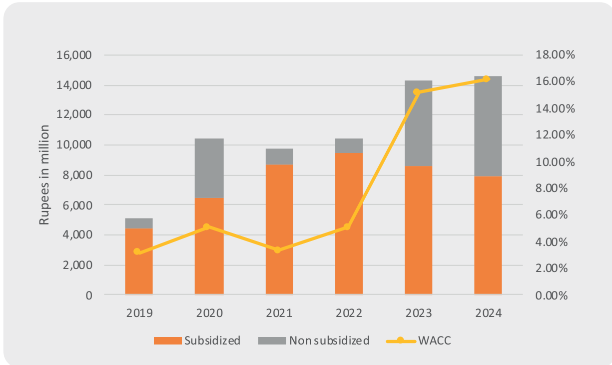
Capital Injected



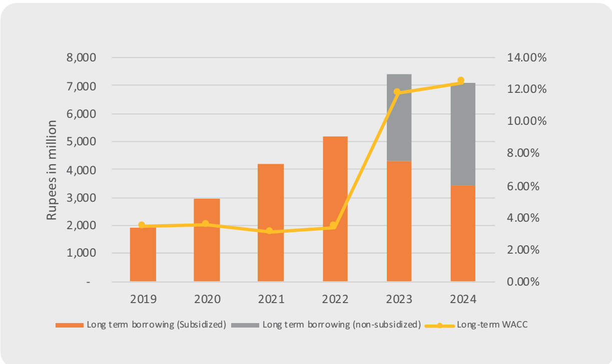


Loans Structure

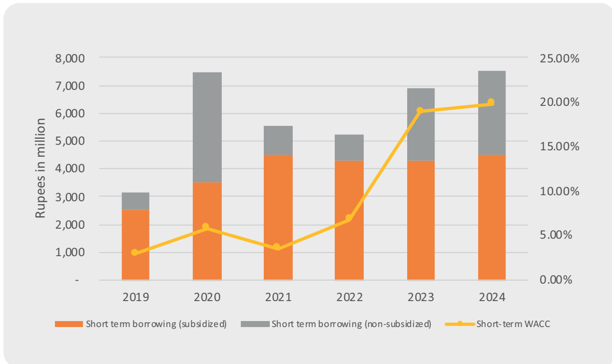




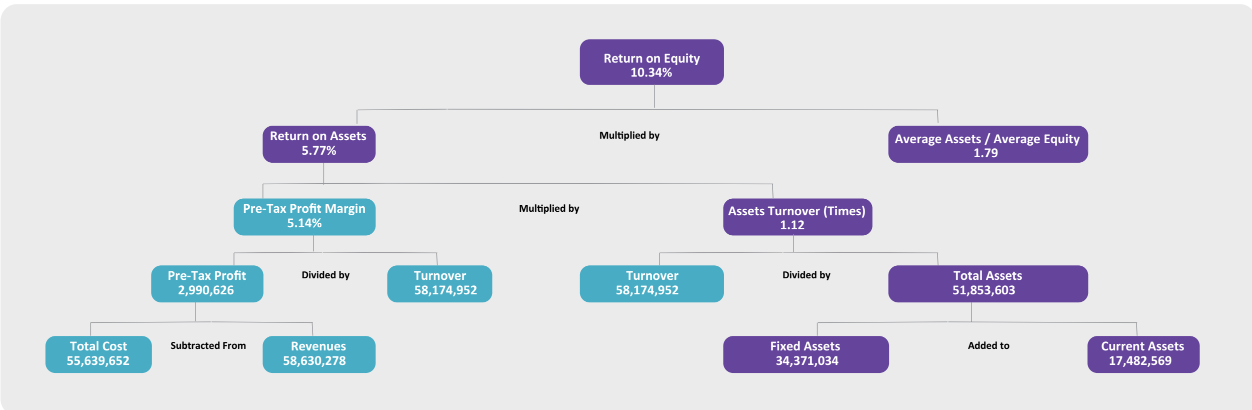
Long term and short term loans breakup



Subsidized and non subsidized loans breakup



Return on Equity (ROE)
DuPont Analysis (Rs. '000')



Year	Return on Equity (ROE)
2019	13.73%
2020	9.58%
2021	17.45%
2022	27.51%
2023	12.53%
2024	10.34%

Return on Equity (ROE)

DuPont analysis examines the return on equity (ROE) by **analyzing** profit margin, total asset turnover, and equity multiplier.

Comments:

1 DuPont equation indicates decrease in ROE in the current period. Higher energy prices as compared to previous year resulted in fall in the return on equity.

2 Increase in the finance cost during the year has also contributed to a reduction in return on equity.

Description	2024	2023
	Number of shares	
Weighted average number of shares outstanding at the beginning of the year	298,923,616	299,296,456
Weighted average number of shares outstanding at the end of the year	272,618,385	298,923,616

SHARE PRICE SENSITIVITY ANALYSIS

situation, Management considers the following factors to which the performance and share price of the Company may be sensitive.

a. Agriculture Performance
Performance in textile sector is mainly dependent on better results of agriculture sector for supply of quality cotton on cheaper rates. Good environmental conditions for cotton crop, having required rain falls, results in optimal quality of cotton with reasonable prices. Availability of quality cotton on cheaper rates supports to generate higher profit margins for producing various types of yarn which in turns affect positively the share price of Company.

b. Demand Factor
Increase in demand of yarn / fabric & Home Textile products may result in increase in market price which will contribute towards better profitability and Earnings per share (EPS) which will ultimately increase the share price.

c. Increase in Cost of Production
Any increase in variable cost (Raw materials, power & utilities cost) may badly affect the gross margins and will resultantly fall in the profitability and fall in EPS. This may badly affect the market price of the share.

d. Political Unrest (Strikes, protests)
Volatile political situation often creates disruption in the business processes. Strikes, protests creates hindrance in production operations which

may adversely affect the Company to meet deadlines of National / International customers. This factor although not very much material at the moment, but may affect share price of the Company adversely.

e. Change in Government Policies
Any change in Government policies related to textile sector may affect the share price of the Company. If policy change is positive than share price will increase, otherwise vice versa.

SENSITIVITY ANALYSIS OF CHANGE IN MARKET CAPITALIZATION

Share price as at 30 June 2024 - Rs.	82.96
No. of shares	269,299,456
Market Capitalization as at 30 June 2024 - Rs.	22,341,082,870

Change in share price by	Change in Market Capitalization
+10%	2,234,108,287
-10%	(2,234,108,287)

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

Market value of the Company's property, plant and equipment is around Rs. 31.24 billion. The Company's property, plant and equipment except freehold land and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment loss in its financial statements. Freehold land is stated at revalued amount at the date of revaluation less any identified impairment loss and capital work-in-progress is stated at cost.

SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

The Company's material assets comprise of land, building, ring spinning machinery, MVS spinning machinery, open-end spinning machinery, wider width weaving looms, high definition digital printing machine, printing rotaries, dyeing and finishing machines, Jenbacher, Wartsila and Nigatta engines, and solar power plant installation.

FINANCIAL PERFORMANCE

Financial highlights of key operating results for the year 2023-24 are as follows:

Particulars	2024	2023
	(Rs. In Million)	
Revenue	58,175	42,047
Gross profit	9,287	7,480
Profit from operations	6,543	5,131
Finance cost	3,359	1,667
Profit before taxation	2,991	3,326
Taxation	791	919
Profit after taxation	2,199	2,407

COMMENTSONFAVOURABLE/(UNFAVOURABLE) VARIANCES IN FINANCIAL RESULTS:

Revenue

- The company witnessed a notable increase in revenue, amounting to Rs. 16,128 million, representing a 38.4% increase from the preceding year. This growth is mainly attributed to the expansion of Spinning and Weaving business segments, which contributed an additional Rs. 5,095 million and Rs. 5,634 million respectively during the current fiscal year, reflecting a substantial 35.1% increase in Spinning business and 58.4% increase in Weaving division compared to the previous year. The Home Textile division also experienced a revenue uptick of Rs. 4,444 million, marking a 39.3% increase relative to the prior year. It is worth noting that this increase is primarily attributed to sales volume and rupee devaluation.

Gross Profit

- The fuel prices experienced a significant upsurge compared to the previous year. This, coupled with general inflation contributed significantly to the overall increase in production costs. Gross profits witnessed a 24.2% increase in the fiscal year while due to relatively higher surge in cost of sales profit margins exhibited a decline in home textile and spinning business. Notably, the spinning business segment recorded a considerable decrease, as the increased expenses related to imported raw materials and conversion costs did not align proportionally with sales rates.

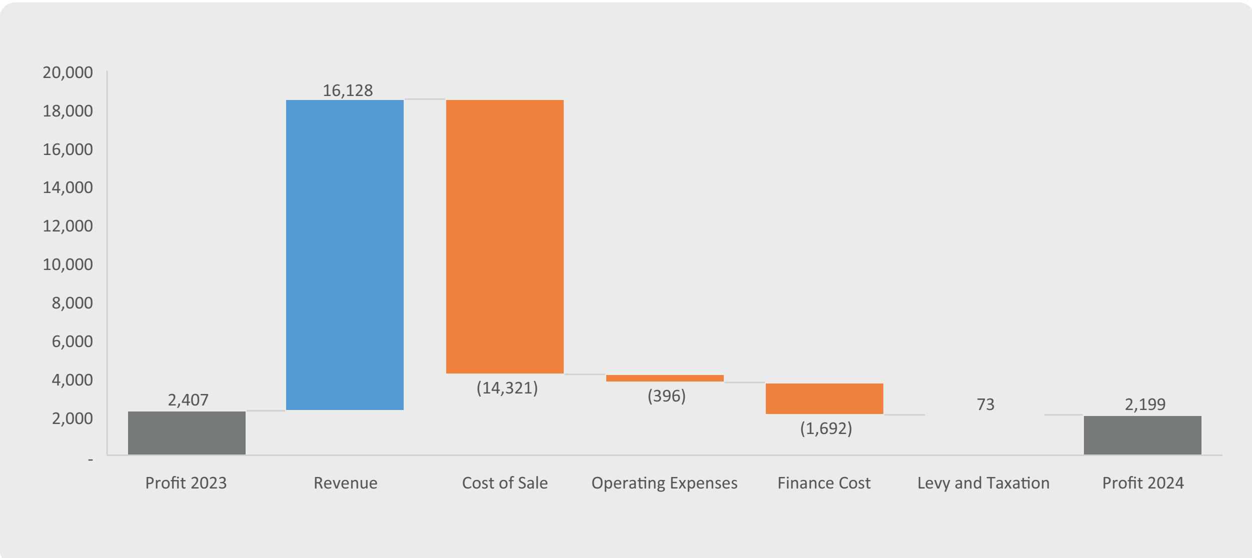
Distribution Cost

- Distribution cost increased from Rs. 1,320 million in 2023 to Rs. 1,778 million in 2024 because of the volumetric increase in export sales and related export-shipment expenses.

Finance cost

- During the fiscal year, the cost of financing surged by 101% (2023: 107%) due to hike in weighted average cost of capital (WACC) and increased working capital requirements over the pervious period.

Reconciliation of Profit after tax



COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

	2024		2022	
	Rs. ,000	%	Rs. ,000	%
Local materials				
Raw materials	21,376,460	53.9%	16,436,296	50.6%
Stores and spares	1,741,879	4.4%	1,327,012	4.1%
Fuel and power	7,760,649	19.6%	5,139,893	15.8%
	30,878,988	77.8%	22,903,201	70.5%
Imported materials				
Raw materials	8,244,377	20.8%	8,922,854	27.5%
Stores and spares	553,474	1.39%	662,177	2.0%
	8,797,851	22.2%	9,585,031	29.5%
	39,676,839	100%	32,488,232	100%

Sensitivity Analysis:

For each percent change in value of foreign currency, cost of imported materials will change by Rs 87.979 million (2023: Rs 95.850 million).

	2024	2023
Appreciation of PKR	(87,979)	(95,850)
Depreciation of PKR	87,979	95,850
Percentage of COS	18.00%	27.73%

The company's management consistently observes international prices for imported materials and fluctuations in exchange rates. They proactively implement measures in accordance with the company's risk management policies to minimize the potential impacts of these factors.

Disclosure of Market Share of the Company:

The Company is among the largest Textile mills in Pakistan, the Company has strategically embraced a policy of horizontal integration encompassing weaving, processing, and home textiles activities with the aim of addressing the dynamic challenges posed by market. At present, the Company's spinning production facilities comprise 180,144 ring spindles, 768 MVS Spindles, 3,648 open end rotors capable of spinning a diverse range of yarn counts using cotton and synthetic fibers at Rawalpindi and Gujjar Khan along with 384 looms at Raiwind capable of weaving a wide range of Greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics intended for the home textile market. The stitching facilities contribute to the production of a diverse range of home textiles for export. While there are many competitors in the textile industry, only a few can match the Company's scale. Due to the lack of industry data for precise market share measurement, the number of installed spindles and looms are the key indicator. Based on this, it is clear that the Company holds one of the largest market shares in respect of sale of textile products.

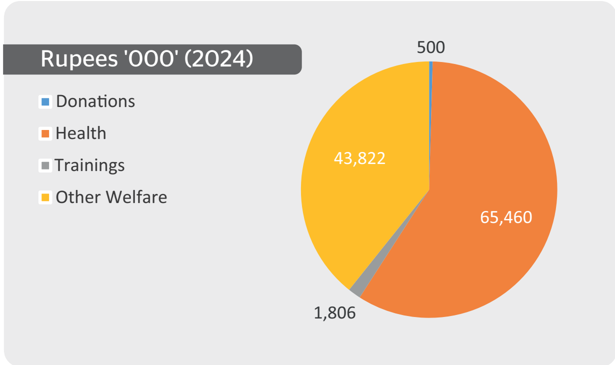
Taxation Provision and Assessment

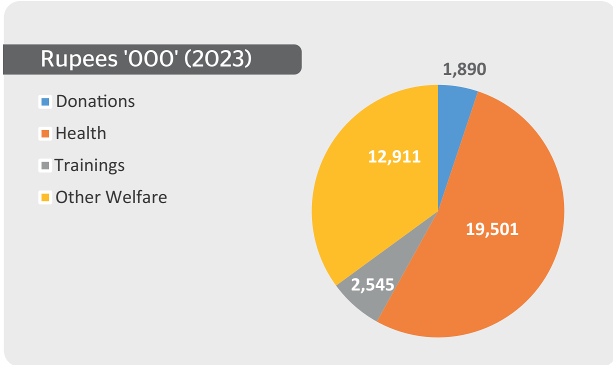
Management is confident that the provision for taxation made in financial statements is sufficient. A comparison of provision for taxation and assessed tax for last three years is as follows:

Particulars	2023	2022	2021
	Rupees in Million		
Provision	414	1,645	578
Assessment	495	1,026	559

Statement of Charity

	2024	2023
	(Rupees in thousand)	
Donations	500	1,890
Health	65,460	19,501
Trainings	1,806	2,545
Other Welfare	43,822	12,911
	111,588	36,847





Segmental Review of Business Performance

The Company's business is primarily divided into three reportable segments i.e. Spinning, Weaving and Processing & Home Textile

Segment wise profits before taxation and unallocated income and expenses for the year ended 30 June 2024 are as under:

Particulars	2024	2023
	(Rs. In Million)	
Spinning	3,838	2,853
Weaving	577	261
Processing and Home Textile	1,848	2,007

COMMENTS ON BUSINESS PERFORMANCE OF SEGMENTS:

Spinning:

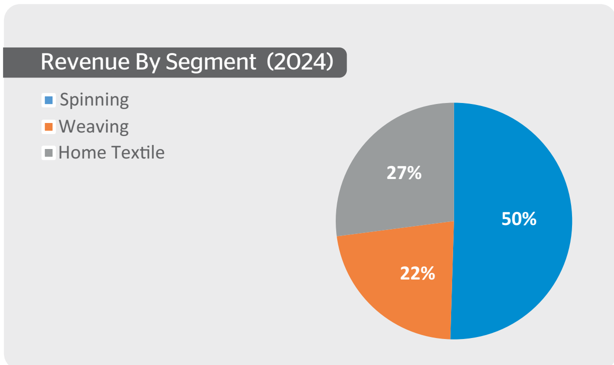
Increased capacity leading to a 32% increase in sales volume within the spinning division, a 35% rise was observed in profits before taxation and unallocated income and expenses compared to the previous fiscal year.

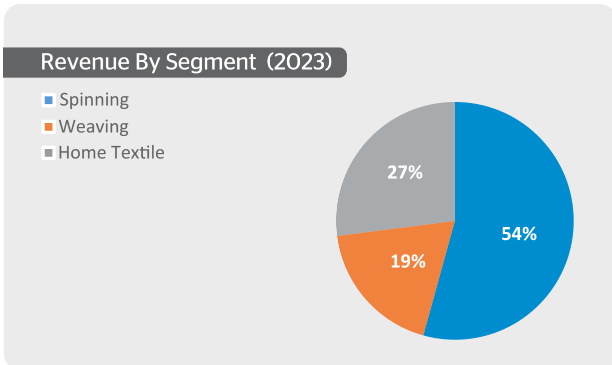
Weaving:

Improved sale rate coupled with expansion in the weaving division yielded a significant 121% increase in profits before taxation and unallocated income and expenses compared to the previous fiscal year.

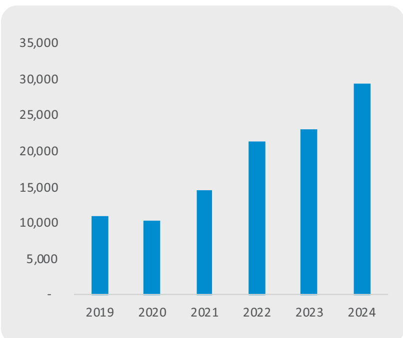
Processing and Home Textile:

Despite a 36% increase in export sales volume, the home textile segment experienced a slight decline in operating profits, attributable to a 9% decrease in the export sale rate in U.S. dollar terms coupled with other factors such as higher raw material and energy costs.

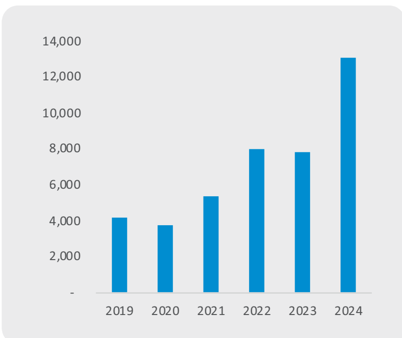




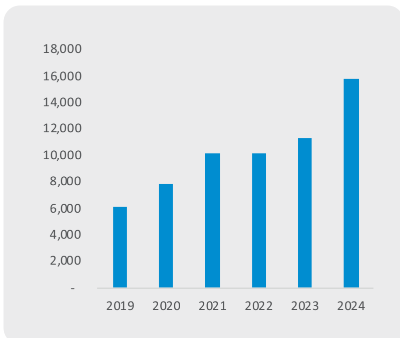
Spinning - Rupess in million



Weaving - Rupess in million



Home Textile - Rupess in million



COMMENT ON REVENUE:

Spinning:

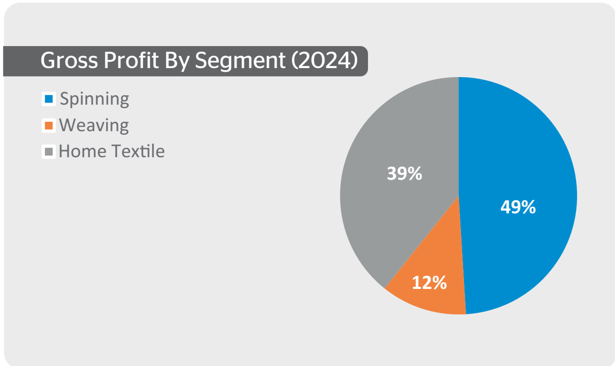
Increase in annual sales is mainly due to increased sales volume because of capacity expansion. Further, average sale rates also remained on the higher side as compared to last year.

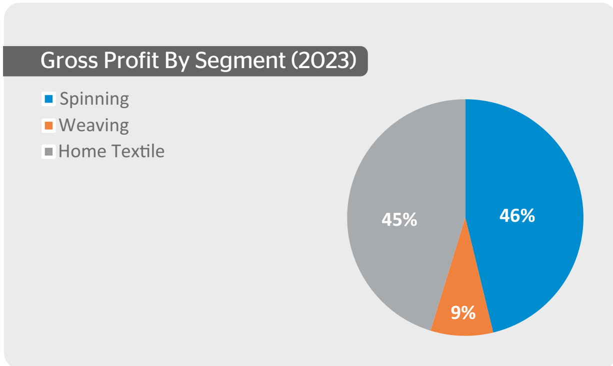
Weaving:

The exports of the weaving division saw a major increase during the year due to the increased capacity in the weaving division.

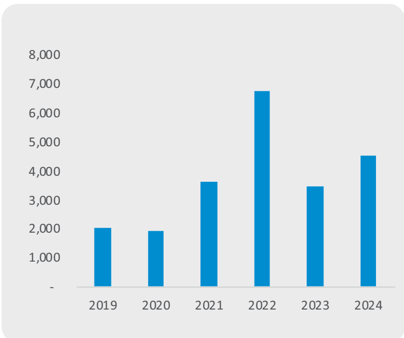
Processing and Home Textile:

The 36% escalation in export sales volume contributed to overall revenue growth of 39% for the home textile division.

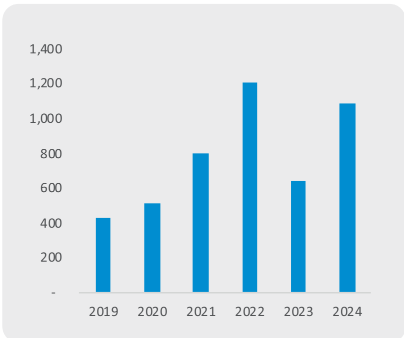




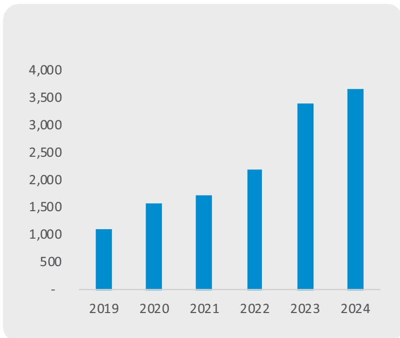
Spinning - Rupess in million

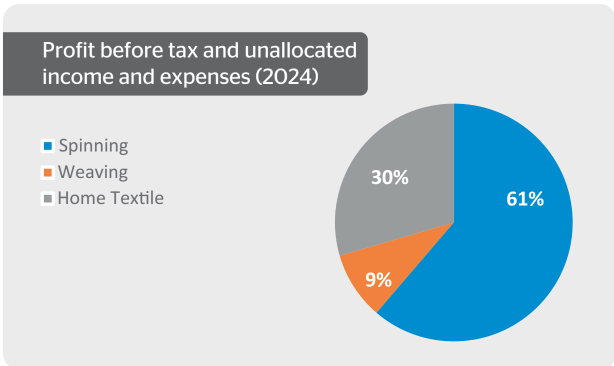


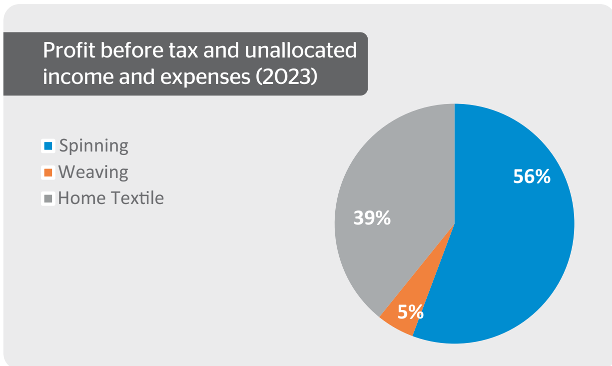
Weaving - Rupess in million



Home Textile - Rupess in million

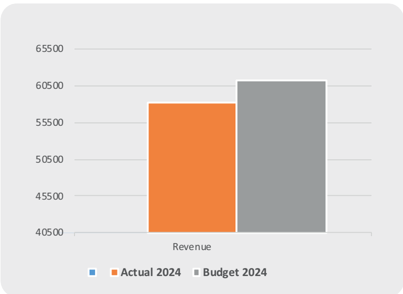




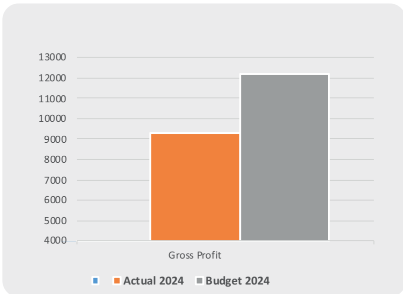


ACTUAL VS BUDGET:	Actual 2024	Budget 2024
	(Rs. In Million)	
Revenue	58,175	61,324
Gross Profit	9,287	12,174
Profit From Operations	6,543	9,169
Finance Cost	3,359	3,353
Profit Before Taxation	2,991	5,465
Net Profit After Taxation	2,199	4,083

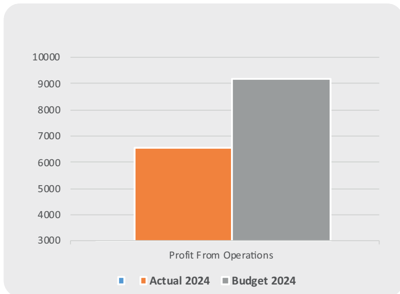
Revenue - Rs. in million



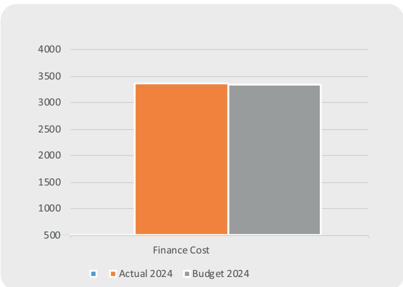
Gross Profit - Rs. in million



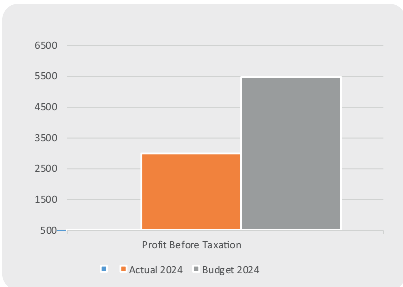
Profit From Operations - Rs. in million



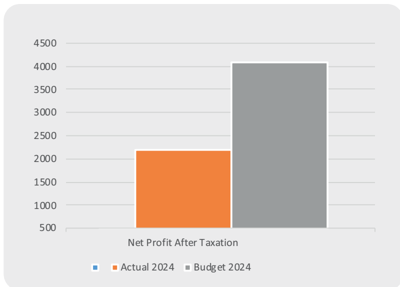
Finance Cost - Rs. in million



Profit Before Taxation - Rs. in million



Profit After Taxation - Rs. in million



Comments of the actual vs budgeted performance

- The Sale Rate in weaving and spinning divisions combined with the exchange rate not climbing upto the anticipated rate for the budget are the main reasons behind company not meeting the budgeted sales targets in the fiscal year.

- Actual costs of sales stayed in line with the budgeted costs. However, due to actual revenue not meeting the budgeted targets, gross profit stayed under the budgeted target.

- Actual position of distribution expenses remained ahead of budgetary targets due to extraordinary efforts in all critical contemporary areas of performance.

- Cost of financing has increased due to rise in weighted average cost of financing over the pervious year clubbed with the additional financing obtained during the year to meet increased working capital requirements as result of capacity expansions.

EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS:

Annual Results						
Particulars	Year Ended 30 June 2024		Year Ended 30 June 2023		YoY Variance	
	Rupees in thousand	%	Rupees in thousand	%	Rupees in thousand	%
Profit before taxation	2,990,626	5%	3,326,279	8%	(335,653)	-10%
Profit after taxation	2,199,162	4%	2,407,262	6%	(208,100)	-9%

Profit before taxation

A significant contributor to the Company's 10% decrease in pre-tax profit was the substantial rise in financing costs during the fiscal year. The increase in financing costs was primarily driven by higher weighted average cost of capital (WACC) and increased working capital requirements over the pervious period.

CASH FLOW ANALYSIS

Financial highlights of key operating results for the year 2023-24 are as follows:

Particulars	2024	2023
	(Rs. In Million)	
Operating cash flows	3,868	1,843
- Finance cost paid	(3,278)	(1,291)
- Income tax and levies paid	(960)	(851)
- Working capital changes	516	(2,119)
Investing cash flows	(3,060)	(5,116)
Financing cash flows	(1,232)	3,606

COMMENTS OF FAVORABLE/(UNFAVORABLE) VARIANCES IN

Operating cash flows

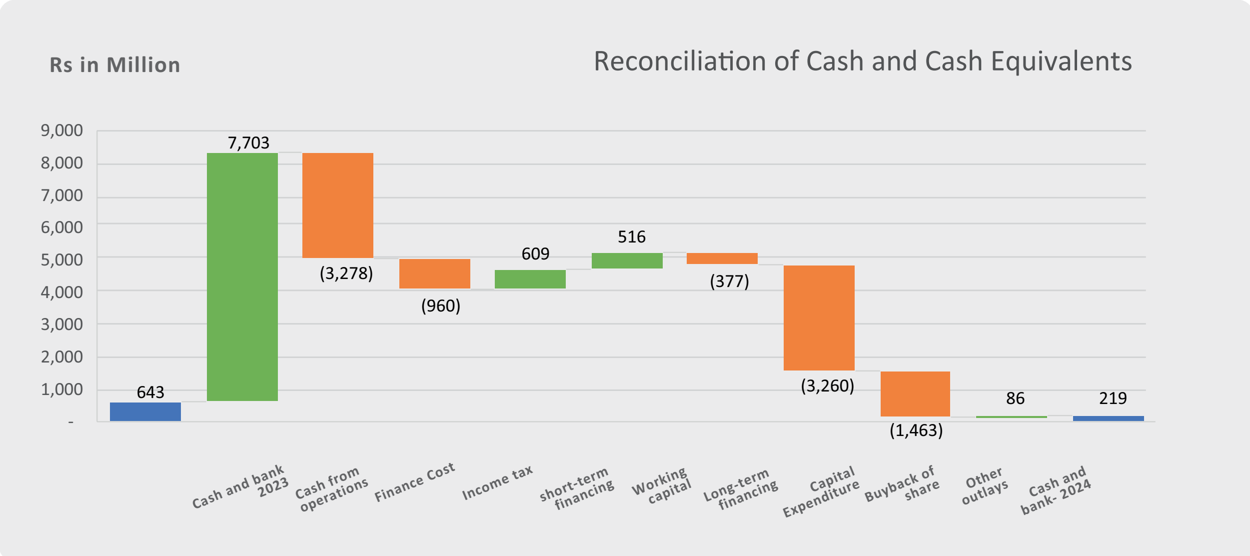
- Operating cash flows experienced a remarkable increase, driven by our efficient working capital management.

Investing cash flows

- The fall in investing cash outflows in mainly attributable to lower capital expenditures incurred during the financial year as compared to previous year.

Financing cash flows

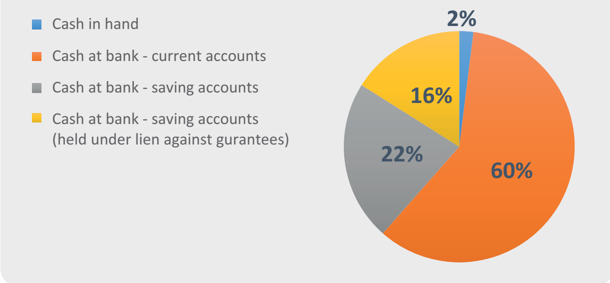
- The significant decline in financing cash flows is due to the company's buyback of its own shares for cancellation and drop in long term financing obtained during the year.



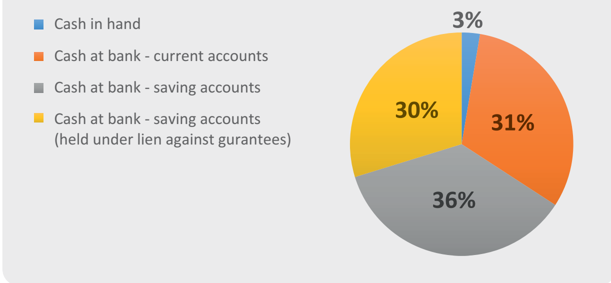
Breakup of cash and cash equivalents

Particulars	2024	2023
	Rupees in ,000	
Cash in hand	4,325	17,004
Cash at bank - current accounts	130,411	202,863
Cash at bank - saving accounts	49,160	232,120
Cash at bank - saving accounts (held under lien against gurantees)	35,155	191,488
Total Cash at bank - saving accounts	84,315	423,608

Cash and cash equivalents (2024)



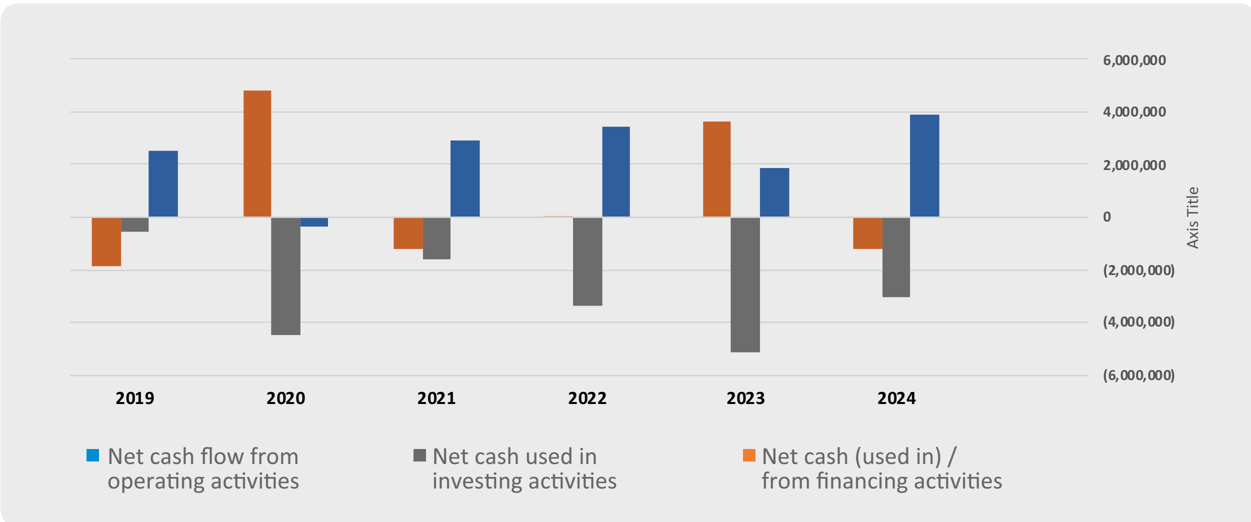
Cash and cash equivalents (2023)



Summary of Cash Ìlows

Financial Highlights	2024	2023	2022	2021	2020	2019
	Rupees in ,000					
Net cash flow from operating activities	3,867,830	1,843,041	3,416,411	2,898,473	(390,215)	2,493,699
Net cash used in investing activities	(3,060,342)	(5,115,601)	(3,359,411)	(1,616,862)	(4,481,124)	(572,930)
Net cash (used in) / from financing activities	(1,231,912)	3,606,406	2,743	(1,218,338)	4,841,586	(1,866,308)
Net change in cash and cash equivalents	(424,424)	333,846	59,743	63,273	(29,753)	54,461

Cashflows



Free Cash Flows	2024	2023
	(Rs. in ,000)	
Cash generated from operations	8,218,865	4,233,854
Capital expenditures	(3,259,993)	(5,265,764)
Free Cash Flows	4,958,872	(1,031,910)

Free Cash Flow (FCF) is the Cash a Company produces through its operations, less the cost of expenditures on assets. Improved operating efficiency often leads to higher revenues and lower operating costs, which directly boosts cash generation. Effective working capital management can reduce the cash tied up in inventory and accounts receivable, freeing up funds for other uses. A focus on higher-margin products can also contribute to greater profitability. Lastly, lower capital expenditures due to careful investment planning may result in more cash remaining after covering essential operating costs. Together, these elements can significantly enhance a company's free cash flow.

STATEMENT OF CASH FLOWS (DIRECT METHOD)

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	56,276,604	41,988,292
Cash paid to suppliers and employees	(48,057,739)	(37,754,438)
Cash generated from operations	8,218,865	4,233,854
Finance cost paid	(3,278,095)	(1,291,462)
Income tax and levies paid	(959,953)	(851,197)
Worker's welfare fund paid	(20,742)	(58,307)
Workers' profits participation fund paid	(39,120)	(182,692)
Net increase in long term deposits	(53,125)	(7,155)
Net cash generated from operating activities	3,867,830	1,843,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(3,259,993)	(5,265,764)
Proceeds from disposal of property, plant and equipment	57,916	26,910
Proceeds from disposal of long term investments	-	28,021
Short term investments - net	(28,605)	(55,745)
Interest received	167,411	131,736
Dividend received	2,929	19,241
Net cash used in investing activities	(3,060,342)	(5,115,601)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	1,115,127	3,093,962
Repayment of long term financing	(1,491,947)	(835,089)
Own shares purchased for cancellation	(1,463,096)	(312,153)
Short term borrowings - net	608,725	1,660,056
Dividend paid	(721)	(370)
Net cash from financing activities	(1,231,912)	3,606,406
Net (decrease) / increase in cash and cash equivalents	(424,424)	333,846
Cash and cash equivalents at the beginning of the year	643,475	309,629
Cash and cash equivalents at the end of the year	219,051	643,475

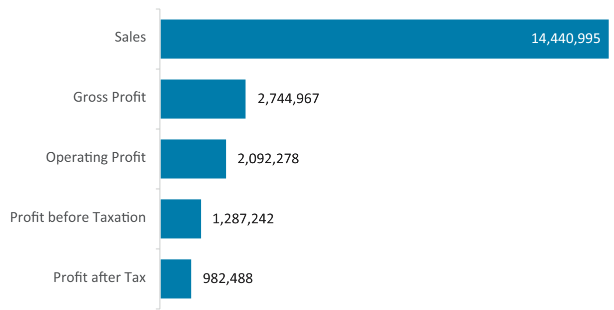
RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

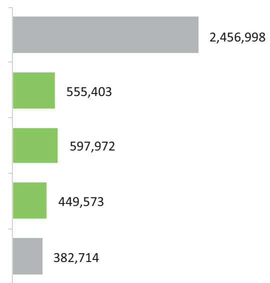
Particulars	Interim Reports Results: 3 Months Period Ended 30-09-2023		6 Months Period Ended 31-12-2023		9 Months Period Ended 31-03-2024		Annual: Full Year Ended 30-06-2024	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	14,440,995		28,062,336		42,946,856		58,174,952	
Gross Profit	2,744,967	19.01%	4,884,173	17.40%	7,356,539	17.13%	9,287,331	15.96%
Operating Profit	2,092,278	14.49%	3,593,403	12.81%	5,156,988	12.01%	6,542,727	11.25%
Profit before taxation	1,287,242	8.91%	1,919,538	6.84%	2,623,753	6.11%	2,990,626	5.14%
Profit after taxation	982,488	6.80%	1,346,285	4.80%	1,761,794	4.10%	2,199,162	3.78%
Equity	25,914,189		26,277,986		26,693,495		29,232,556	
Current ratio (in time)	1.17		1.17		1.17		1.16	

GRAPHICAL PRESENTATION

1st Quarter 2024

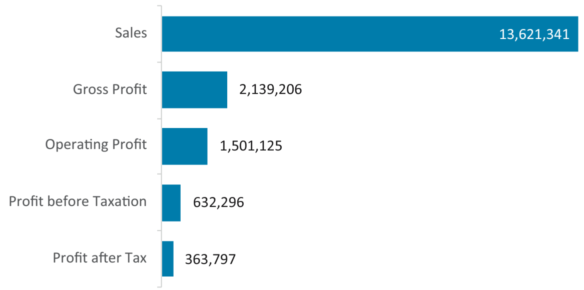
Variance from previous quarter

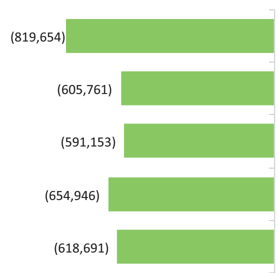




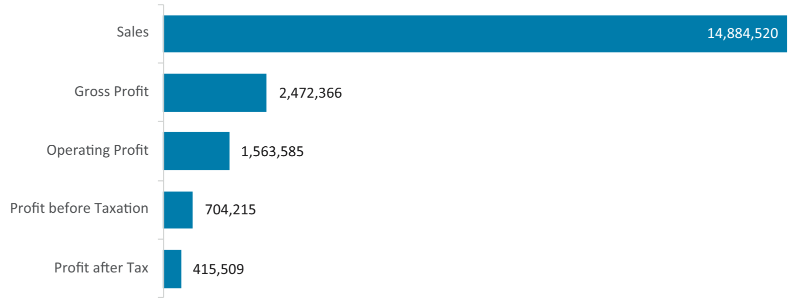
2nd Quarter 2024

Variance from previous quarter

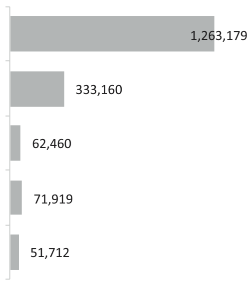




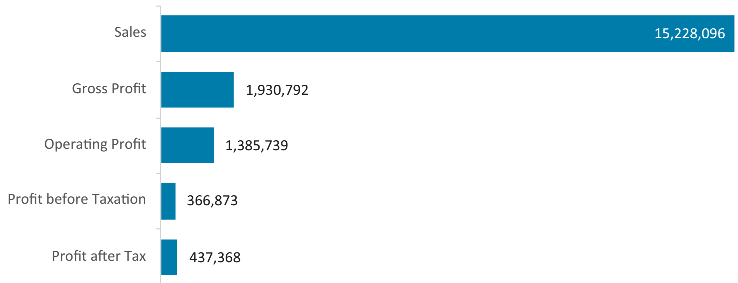
3rd Quarter 2024



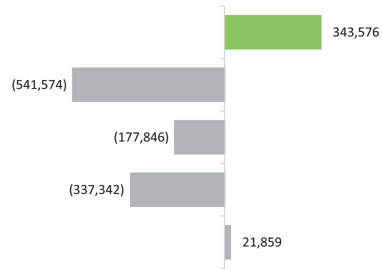
Variance from previous quarter



4th Quarter 2024



Variance from previous quarter



ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

Quarter	Quarter 1 With Annual 30 June 2024	Quarter 2 With Annual 30 June 2024	Quarter 3 With Annual 30 June 2024
Gross Profit	Gross Profit was 19.01% as compared to annual GP of 15.96%. This was because of slightly favourable energy prices and better margins on export sales as compared to next three quarters of the year.	The gross profit margin decreased from 17.40% to 15.96%. This decline is attributable to increase in energy prices and higher rates of imported raw material.	Gross Profit was 17.13% as compared to annual GP of 15.96%.
Operating Profit	Operating profit was 14.49% as compared to annual operating profit of 11.25%.	Operating profit for the first half year was 12.81% as compared to annual operating profit of 11.25% mainly due to higher fuel prices in the second half of the year.	Operating profit for the first nine months was 12.01% as compared to annual operating profit of 11.25%.
Net Profit	Net profit after tax was Rupees 982 Million as compared to annual net profit of Rupees 2,199 Million, which makes up about 45% of the annual net profit.	Net profit after tax was Rupees 1,346 Million as compared to annual net profit of Rs. 2,199 Million. which makes up about 61% of the annual net profit.	Net profit after tax was Rupees 1,762 Million as compared to annual net profit of Rs. 2,199 Million. which makes up about 80% of the annual net profit.
Share-holders' Equity	Shareholders' equity was Rupees 25,914 Million as compared to annual equity of Rupees 29,233 Million.	Shareholders' equity was Rupees 26,278 Million as compared to annual equity of Rupees 29,233 Million.	Shareholders' equity was Rupees 26,693 Million as compared to annual equity of Rupees 29,233 Million.
Current Ratio	Current ratio was 1.17 times as compared to annual ratio of 1.16.	Current ratio was 1.17 times as compared to annual ratio of 1.16.	Current ratio was 1.17 times at the end of 9 month period as compared to annual ratio of 1.16.

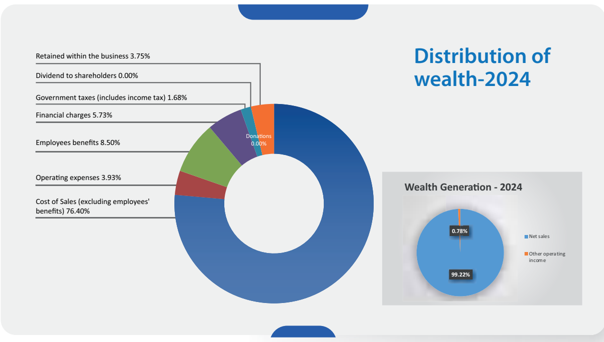
VALUE ADDITION AND DISTRIBUTION

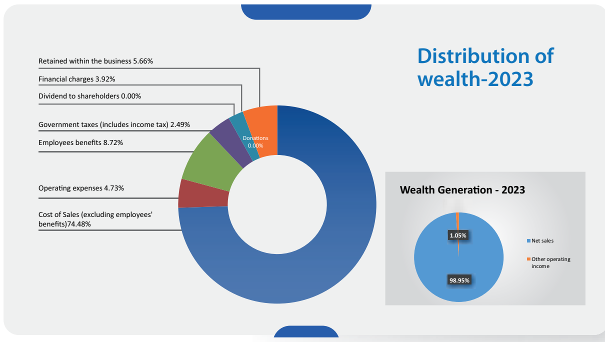
	2024		2023	
	Rs. '000	%	Rs. '000	%
Wealth Generated				
Revenue	58,174,952	99.22%	42,046,556	98.95%
Other operating income	455,326	0.78%	444,851	1.05%
	58,630,278	100.00%	42,491,407	100.00%
Distribution of wealth				
Cost of Sales (excluding employees' remuneration)	44,796,382	76.40%	31,646,014	74.48%
Distribution, administration & other expenses	2,305,896	3.93%	2,006,772	4.72%
Employees' remuneration	4,984,773	8.50%	3,705,831	8.72%
Financial charges	3,359,345	5.73%	1,667,308	3.92%
Government taxes (income tax) & levies	984,220	1.68%	1,056,330	2.49%
Dividend to shareholders	-	0.00%	-	0.00%
Donations	500	0.001%	1,890	0.00%
Retained within the business	2,199,162	3.75%	2,407,262	5.67%
	58,630,278	100.00%	42,491,407	100.00%

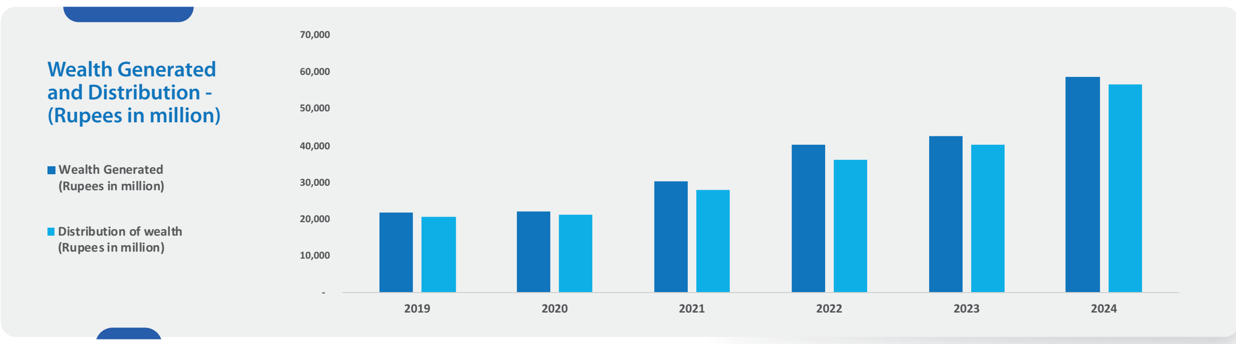
Economic Value Added	2024	2023
Net Profit after Tax	2,199,162	2,407,262
Less: Cost of capital	(621,690)	(515,637)
Economic Value Added	1,577,472	1,891,625

Economic value added (EVAD) is a measure of a Company's operating profit after tax generated in excess of cost of funds deployed. Ample EVAD exhibits that operations of the Company are driven with level of accuracy to full fill the requirements of finance providers.

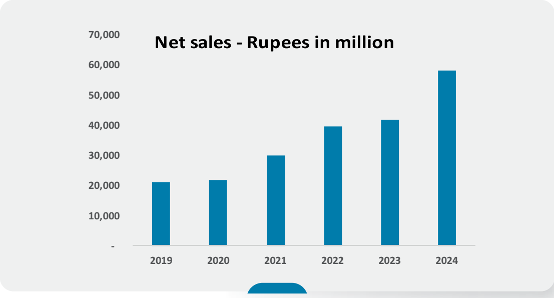
GRAPHICAL PRESENTATION

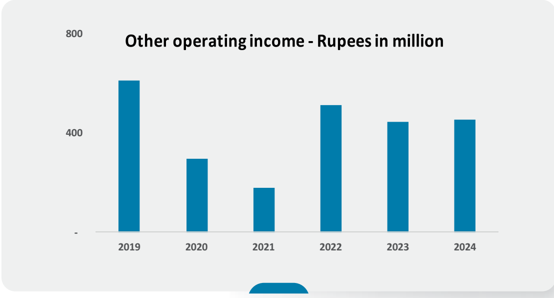




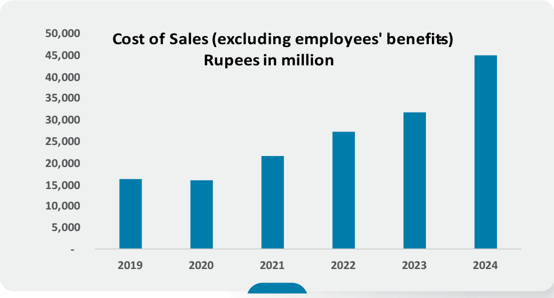


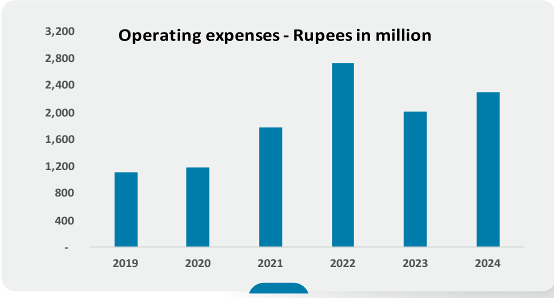
WEALTH GENERATION

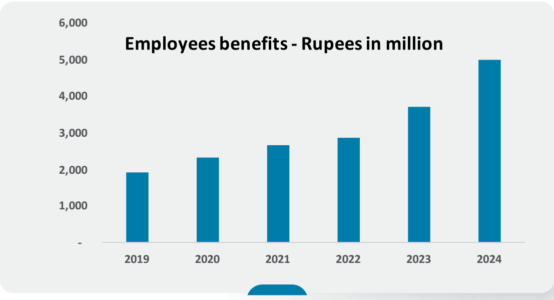


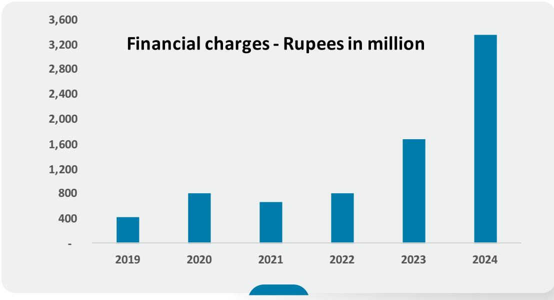


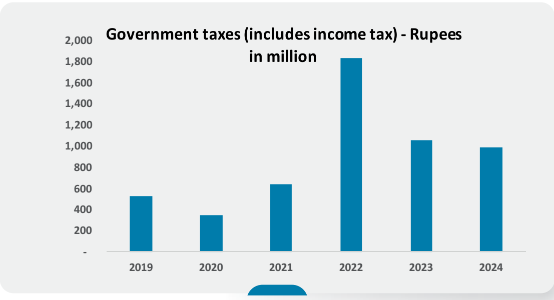
WEALTH DISTRIBUTION

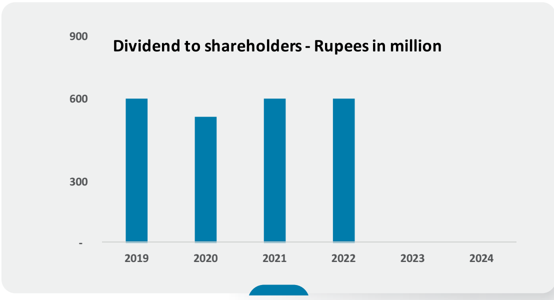


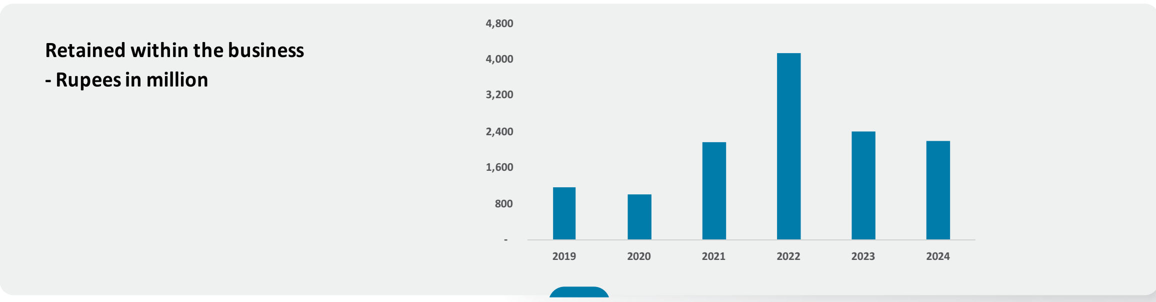








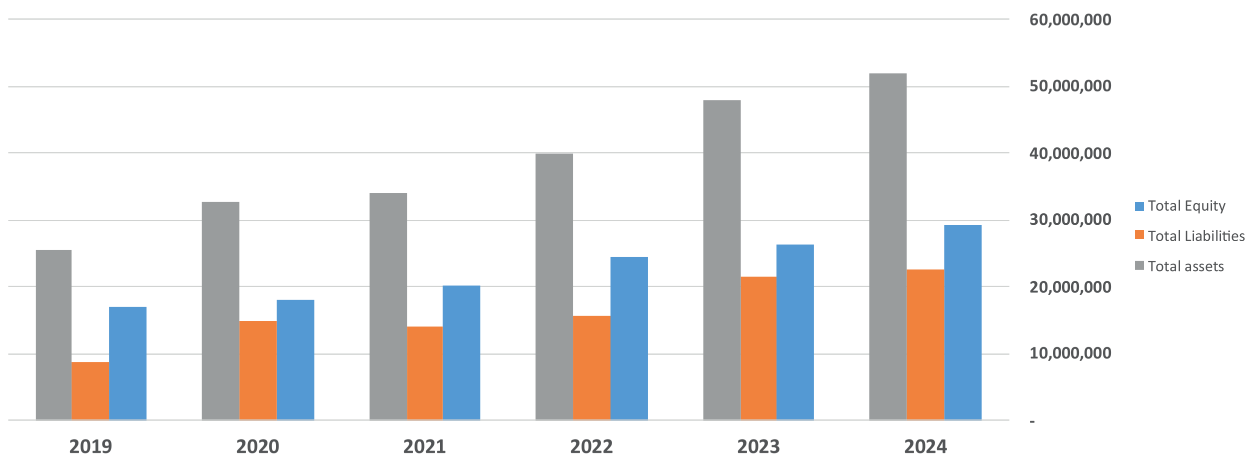




HORIZONTAL ANALYSIS
FINANCIAL POSITION

	2024	Change w.r.t 2023	2023	Change w.r.t 2022	2022	Change w.r.t 2021	2021	Change w.r.t 2020	2020	Change w.r.t 2019	2019
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Total Equity	29,232,556	10.75	26,394,797	8.62	24,299,688	20.55	20,157,557	12.17	17,971,090	5.92	16,966,815
Total non-current liabilities	7,584,753	(4.29)	7,924,849	52.94	5,181,514	33.42	3,883,657	13.84	3,411,551	60.24	2,129,031
Total current liabilities	15,036,294	10.83	13,566,572	29.93	10,441,312	3.45	10,093,041	(10.85)	11,321,125	75.50	6,450,732
Total equity and liabilities	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255	4.37	32,703,766	28.02	25,546,578
Total non-current assets	34,371,034	13.22	30,358,612	16.33	26,097,750	10.29	23,662,335	4.59	22,623,930	22.21	18,512,532
Total current assets	17,482,569	(0.26)	17,527,606	26.78	13,824,764	32.02	10,471,920	3.89	10,079,836	43.30	7,034,046
Total assets	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255	4.37	32,703,766	28.02	25,546,578

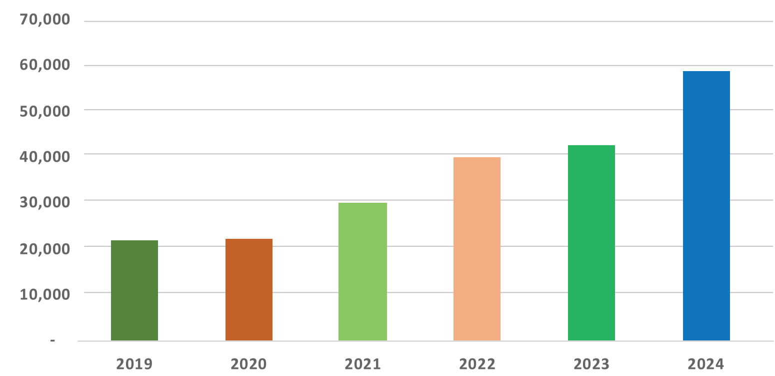
Horizontal Analysis: Statement of Financial Position Rupees '000



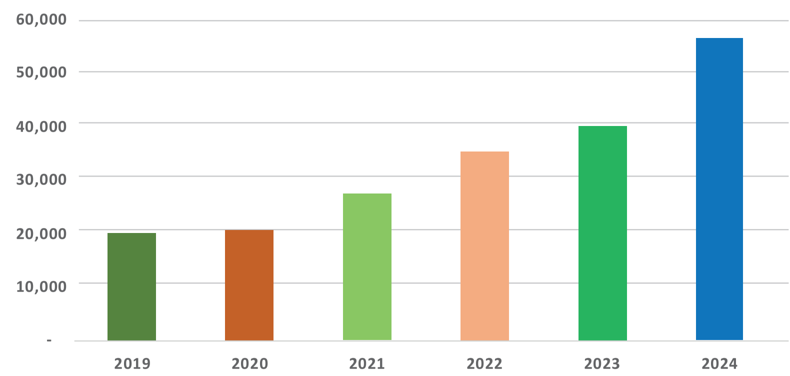
HORIZONTAL ANALYSIS
FINANCIAL PERFORMANCE

	2024	Change w.r.t 2023	2023	Change w.r.t 2022	2022	Change w.r.t 2021	2021	Change w.r.t 2020	2020	Change w.r.t 2019	2019
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Net sales	58,174,952	38.36	42,046,556	6.29	39,558,284	32.06	29,955,525	37.13	21,844,810	2.94	21,220,135
Cost of sales	48,887,621	41.43	34,566,123	17.62	29,389,027	23.36	23,822,897	33.43	17,854,630	1.11	17,659,063
Gross profit	9,287,331	24.15	7,480,433	(26.44)	10,169,257	65.82	6,132,628	53.69	3,990,180	12.05	3,561,072
Selling and distribution expenses	1,777,917	34.70	1,319,918	(17.23)	1,594,678	30.88	1,218,390	48.29	821,609	46.41	561,181
Administrative expenses	1,245,316	19.76	1,039,808	39.16	747,220	16.19	643,123	6.75	602,467	9.10	552,220
Other operating expenses	176,697	(59.35)	434,658	(54.58)	957,075	146.47	388,309	117.49	178,545	(51.00)	364,380
Other operating income	455,326	2.35	444,851	(12.68)	509,465	185.11	178,692	(39.12)	293,511	(51.79)	608,755
Profit from operations	6,542,727	27.52	5,130,900	(30.47)	7,379,749	81.70	4,061,498	51.49	2,681,070	(0.41)	2,692,046
Finance cost	3,359,345	101.48	1,667,308	107.34	804,123	21.14	663,789	(17.32)	802,869	95.29	411,111
Profit before taxation and levy	3,183,382	(8.09)	3,463,592	(47.33)	6,575,626	93.53	3,397,709	80.90	1,878,201	(17.66)	2,280,935
Provision for taxation and levy	984,220	(6.83)	1,056,330	(42.43)	1,834,903	186.09	641,380	83.17	350,158	(33.97)	530,291
Profit after taxation	2,199,162	(8.64)	2,407,262	(49.22)	4,740,723	71.99	2,756,329	80.38	1,528,043	(12.72)	1,750,644

Total Income - Rupees in million



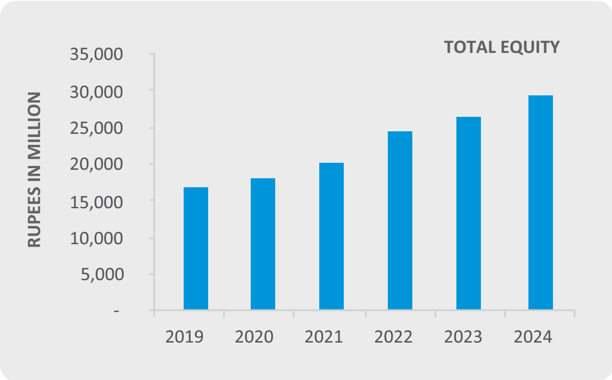
Total Expenses - Rupees in million



COMMENTS ON THE 6 YEARS HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

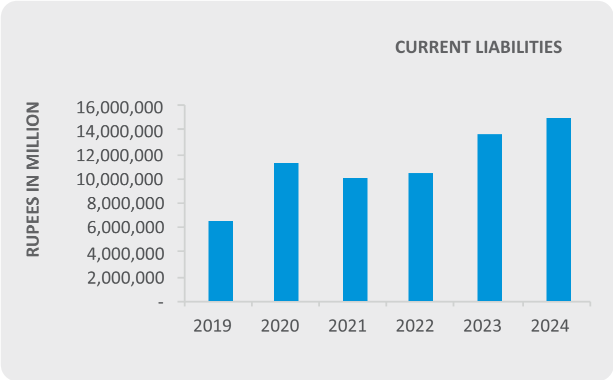
Equity:

The steady growth in shareholder equity is largely attributed to the Company's successful and profitable operations.



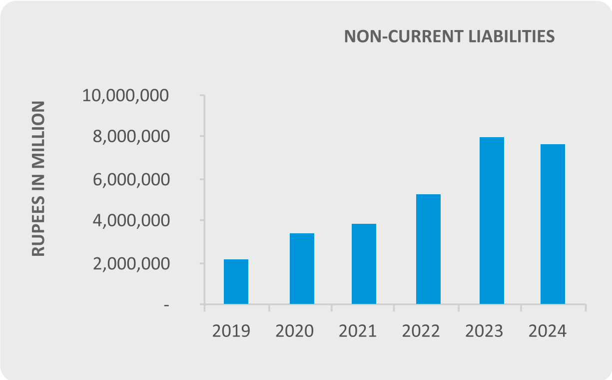
Current liabilities:

Increase in current liabilities over the year is in line with the growing business of the Company. This includes increase in short term borrowings and trade and other payables over the years.



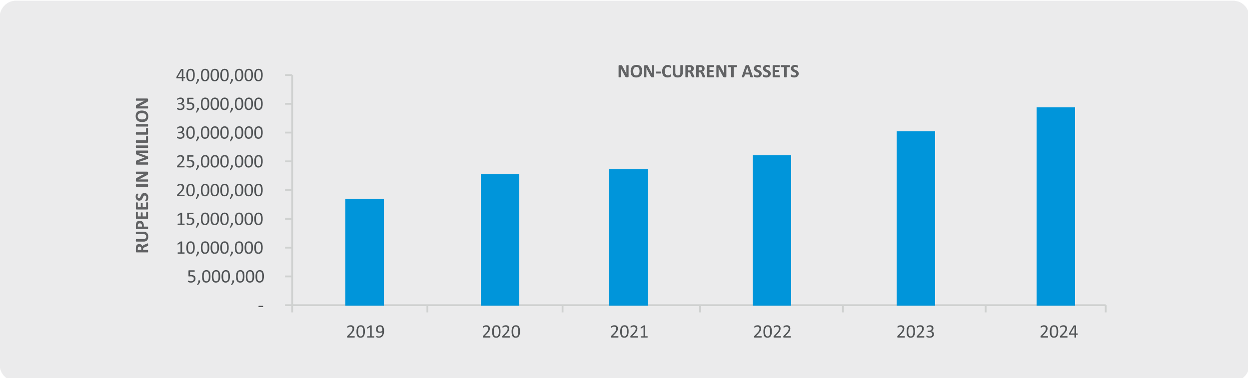
Non-current liabilities:

The decline in non-current liabilities is a result of higher repayments on existing financing this fiscal year compared to the new financing acquired.



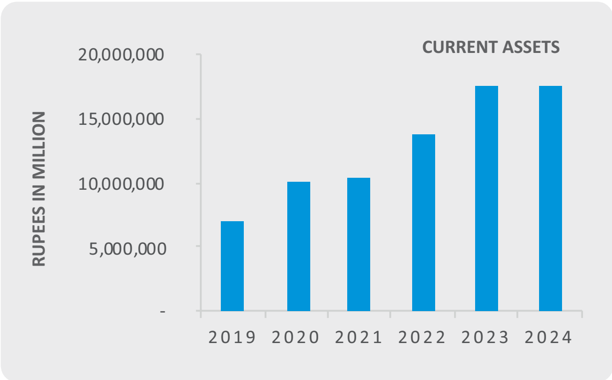
Non-current assets:

Tangible Fixed Assets experienced substantial growth, surging by 160% over six years, soaring from Rs. 8.91 billion to Rs. 23.18 billion. This remarkable increase can be attributed to strategic capital investments directed towards upgrading Plant & Machinery and expanding the spinning, weaving and power divisions by installing more spindles, looms and solar plants in recent years.



Current assets:

During financial year 2024, current assets have stayed relatively stable mainly on account of better inventory management techniques. The increase in our company's current assets over the years aligns with our normal business growth. It's primarily due to expanding operations, better inventory management policies, increase in annual sales, strengthened cash reserves, and strategic investments over the years. This growth reflects prudent financial management and supports our long-term business strategy.

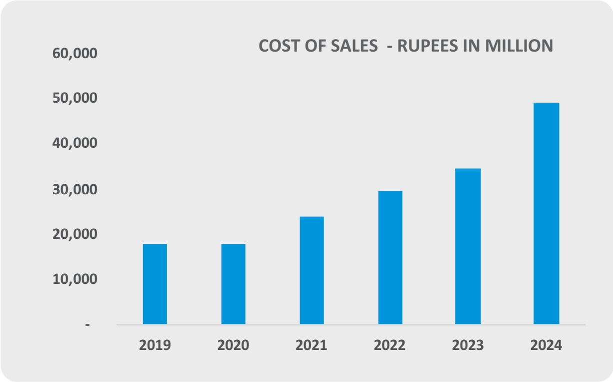


Net sales:

Revenue increased by 174% over the period of six years, (i.e. from Rs. 21.22 billion in 2019 to Rs. 58.18 billion in 2024) which resulted in average growth of 29.0% per year. The increase in revenue is mainly attributable to increased demand of yarn in local market and expansion in production capacity of spinning and weaving division in last couple of years. Also, the higher exchange rates and inflation in the country have contributed in increasing the revenue over the last few years.

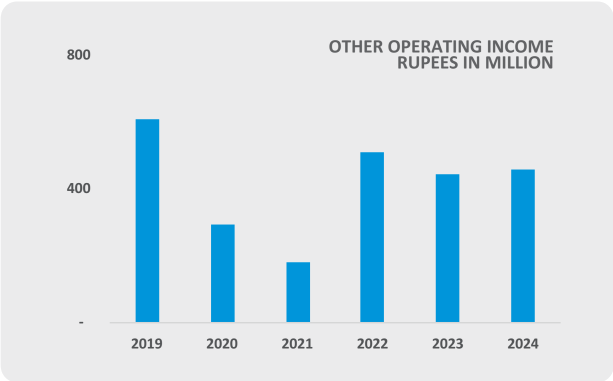
Cost of sales:

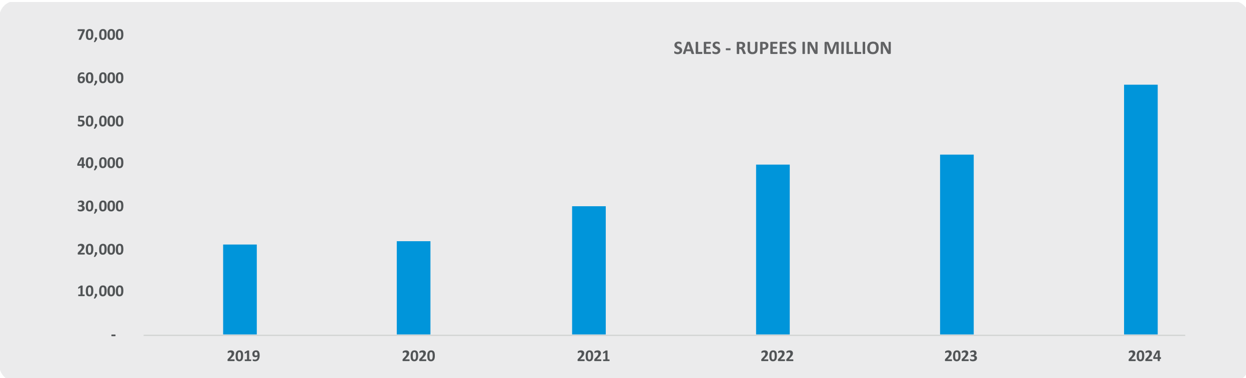
Gross profit has increased by 24% due to higher sale volumes and sale rates in the current year.

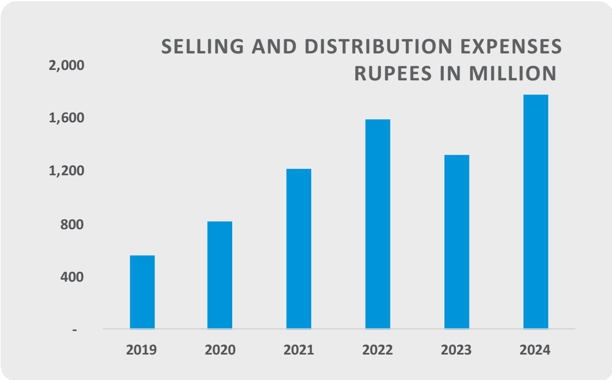


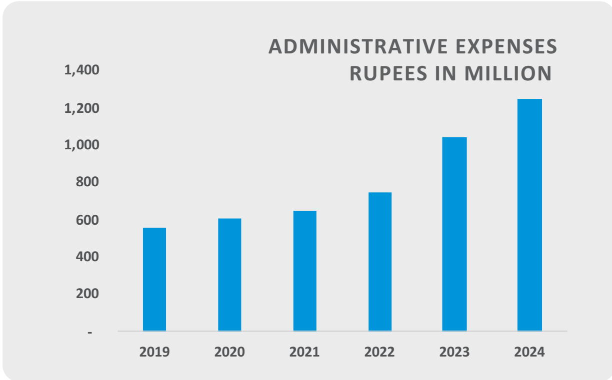
Profit from operations:

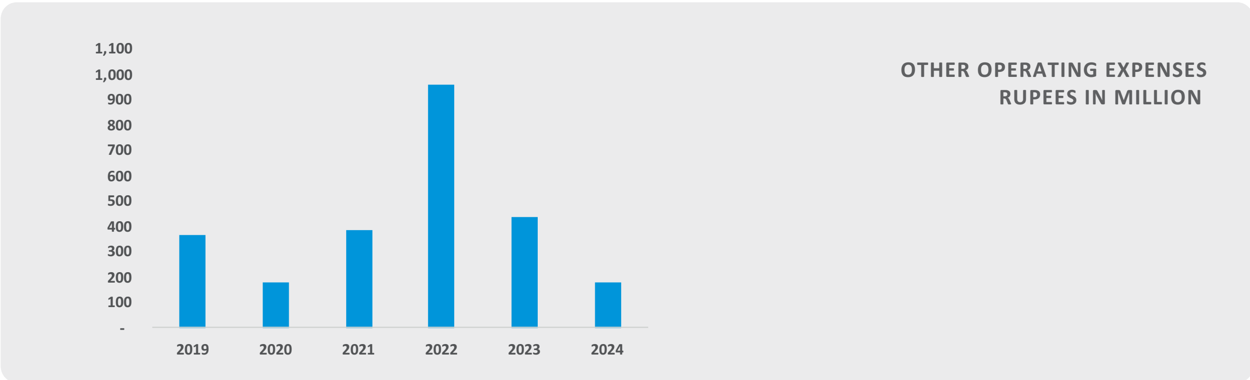
Distribution costs have increased in line with the increase in the revenue in the fiscal year. Despite a high rate of inflation in the region, the distribution costs have stayed in check due to selection of stringent controls over critical contemporary areas of performance. Whereas administration expenses have increased in line with the high inflation rate in the country.









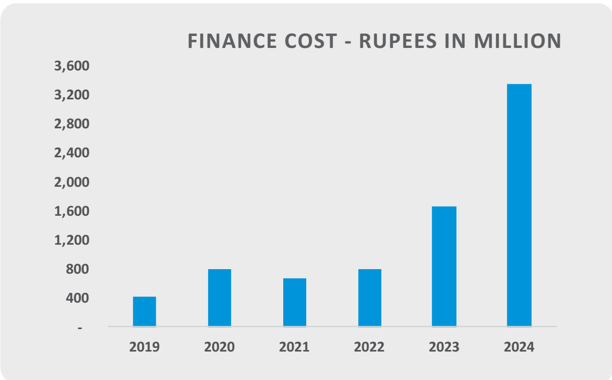


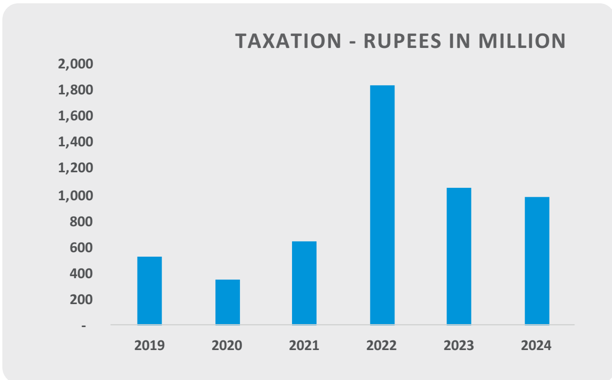
Finance cost:

Finance cost has continuously increased due to higher interest rates as compared to previous years & higher borrowings because of capital expenditures incurred by the company on modernization of plant and machinery and significant increase in working capital requirements. Further the non-subsidized portion of financing have also increased significantly in the previous two fiscal years.

Levy and taxation:

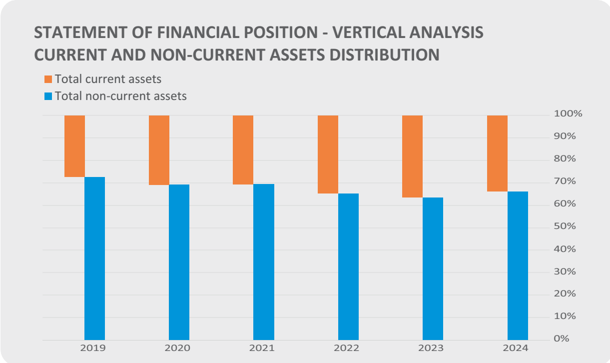
Over the past two fiscal years, taxation has diminished compared to previous years, driven by lower profits resulting from challenging economic conditions.

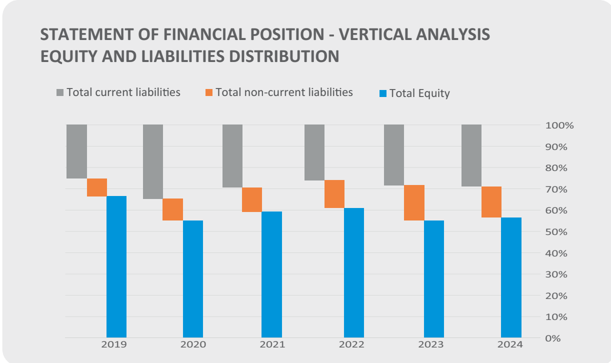


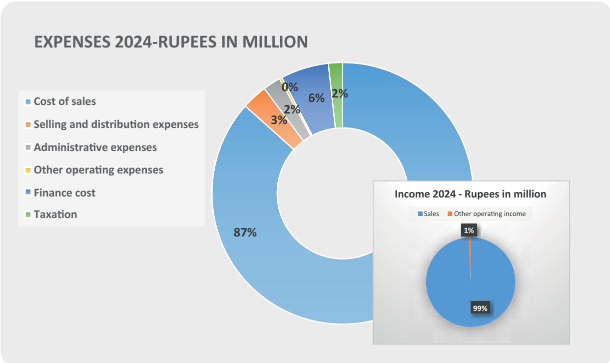


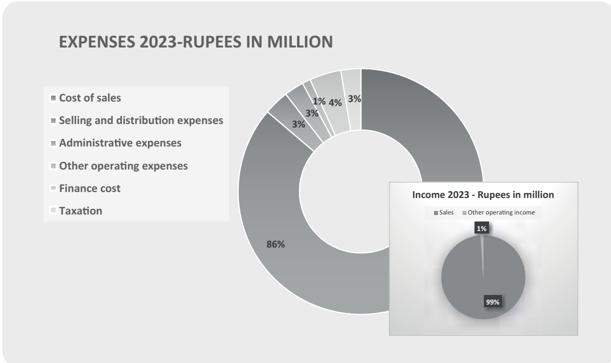
VERTICAL ANALYSIS

	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
	....Rupees in thousand....											
FINANCIAL POSITION												
Total Equity	29,232,556	56.38	26,394,797	55.12	24,299,688	60.87	20,157,557	59.05	17,971,090	54.95	16,966,815	66.42
Total non-current liabilities	7,584,753	14.63	7,924,849	16.55	5,181,514	12.98	3,883,657	11.38	3,411,551	10.43	2,129,031	8.33
Total current liabilities	15,036,294	29.00	13,566,572	28.33	10,441,312	26.15	10,093,041	29.57	11,321,125	34.62	6,450,732	25.25
Total equity and liabilities	51,853,603	100.00	47,886,218	100.00	39,922,514	100.00	34,134,255	100.00	32,703,766	100.00	25,546,578	100.00
Total non-current assets	34,371,034	66.28	30,358,612	63.40	26,097,750	65.37	23,662,335	69.32	22,623,930	69.18	18,512,532	72.47
Total current assets	17,482,569	33.72	17,527,606	36.60	13,824,764	34.63	10,471,920	30.68	10,079,836	30.82	7,034,046	27.53
Total assets	51,853,603	100.00	47,886,218	100.00	39,922,514	100.00	34,134,255	100.00	32,703,766	100.00	25,546,578	100.00
FINANCIAL PERFORMANCE												
Net sales	58,174,952	100.00	42,046,556	100.00	39,558,284	100.00	29,955,525	100.00	21,844,810	100.00	21,220,135	100.00
Cost of sales	48,887,621	84.04	34,566,123	82.21	29,389,027	74.29	23,822,897	79.53	17,854,630	81.73	17,659,063	83.22
Gross profit	9,287,331	15.96	7,480,433	17.79	10,169,257	25.71	6,132,628	20.47	3,990,180	18.27	3,561,072	16.78
Selling and distribution expenses	1,777,917	3.06	1,319,918	3.14	1,594,678	4.03	1,218,390	4.07	821,609	3.76	561,181	2.64
Administrative expenses	1,245,316	2.14	1,039,808	2.47	747,220	1.89	643,123	2.15	602,467	2.76	552,220	2.60
Other operating expenses	176,697	0.30	434,658	1.03	957,075	2.42	388,309	1.30	178,545	0.82	364,380	1.72
Other operating income	455,326	0.78	444,851	1.06	509,465	1.29	178,692	0.60	293,511	1.34	608,755	2.87
Profit from operations	6,542,727	11.25	5,130,900	12.20	7,379,749	18.66	4,061,498	13.56	2,681,070	12.27	2,692,046	12.69
Finance cost	3,359,345	5.77	1,667,308	3.97	804,123	2.03	663,789	2.22	802,869	3.68	411,111	1.94
Profit before taxation and levy	3,183,382	5.47	3,463,592	8.24	6,575,626	16.62	3,397,709	11.34	1,878,201	8.60	2,280,935	10.75
Provision for taxation and levy	984,220	1.69	1,056,330	2.51	1,834,903	4.64	641,380	2.14	350,158	1.60	530,291	2.50
Profit after taxation	2,199,162	3.78	2,407,262	5.73	4,740,723	11.98	2,756,329	9.20	1,528,043	6.99	1,750,644	8.25









COMMENTS ON THE 6 YEARS VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

Statement of Financial Position:

Equity:

Equity component is 56% of the balance sheet footing. A major factor for this is the constant profitability of the Company.

Non-current liabilities:

This year, non-current liabilities make up 14.63% of the balance sheet, a decrease from 16.55% last year. This decline is mainly due to the company's increased ratio of long-term financing repayment compared to new financing. In the previous year, a substantial amount of new financing was secured for modernizing production facilities.

Non-current assets:

Non-current assets rose from Rs. 30,359 million in 2023 to Rs. 34,371 million in 2024. This increase is attributed to capital expenditures on production facilities across all divisions of the company.

Statement of Profit or Loss:

Gross margin:

In 2024, the cost of sales stands at 84.04% of total sales, up from 82.21% in 2023. This rise corresponds with the prevailing inflationary conditions in the country, particularly impacting fuel prices in the region. This has reduced the gross margin in the current year as compared to previous year.

Finance cost:

Finance costs have climbed due to a higher average cost of financing compared to the previous year. This shift stems from a reduced ratio of subsidized to unsubsidized loans and increased borrowings to support significantly higher working capital needs.

Profit from operations:

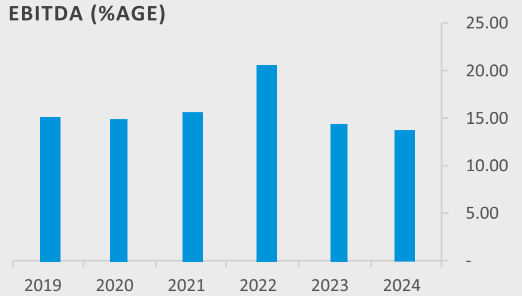
This year, selling and distribution expenses represent 3.06% of total revenue, a slight improvement from 3.14% in the previous period. This positive trend is a result of the company's stringent and efficient control over distribution costs. Additionally, other expenses have decreased due to lower provisions for the workers' profit participation fund and workers' welfare fund.

KEY OPERATING AND FINANCIAL DATA

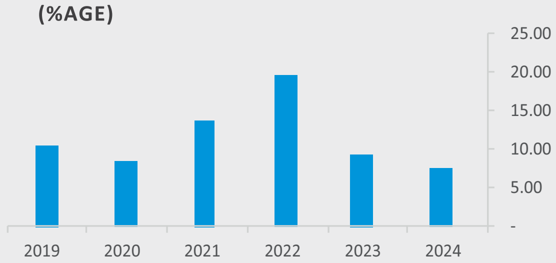
SIX YEARS SUMMARY

Financial Highlights	2024	2023	2022	2021	2020	2019
Profitability Ratios:						
Gross Profit to sales (%age)	15.96	17.79	25.71	20.47	18.27	16.78
Net Profit to sales (%age)	3.78	5.73	11.98	9.20	6.99	8.25
EBITDA (%age)	13.60	14.50	20.56	15.70	14.86	15.19
Operating leverage ratio	0.72	(5.08)	2.55	1.39	(0.14)	0.37
Return on equity (%age)	7.52	9.12	19.51	13.67	8.50	10.32
Return on capital employed (%age)	5.03	5.91	13.67	9.19	5.38	7.94
Profit before tax ratio (%age)	5.14	7.91	16.62	11.34	8.60	10.75
Effective tax rate (%age)	26.46	27.63	27.90	18.88	18.64	23.25
Cost / Revenue ratio (%age)	84.04	82.21	74.29	79.53	81.73	83.22
Return on Fixed Assets	9.49%	12.53%	36.16%	25.74%	15.75%	19.76%
Return on Investment	12.62%	10.71%	18.49%	11.90%	6.75%	7.26%
Shareholders Funds	56.38%	55.12%	60.87%	59.05%	54.95%	66.42%
Return on shareholder funds	7.52%	9.12%	19.51%	13.67%	8.50%	10.32%

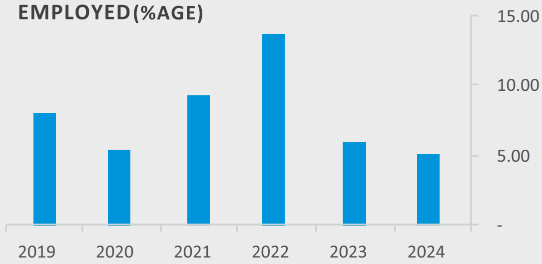
EBITDA (%AGE)



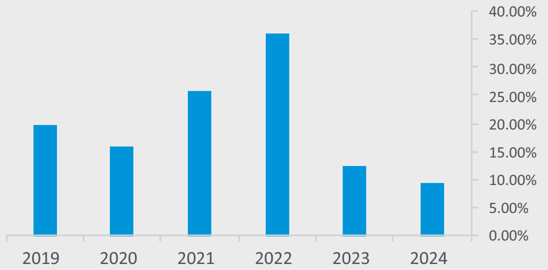
RETURN ON EQUITY (%AGE)



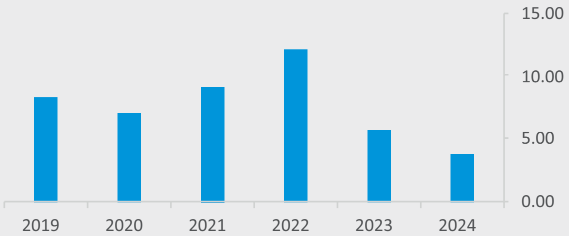
RETURN ON CAPITAL EMPLOYED(%AGE)



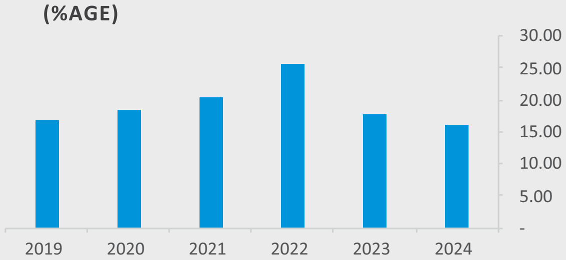
RETURN ON FIXED ASSETS



GROSS PROFIT TO SALES (%AGE)



NET PROFIT TO SALES (%AGE)



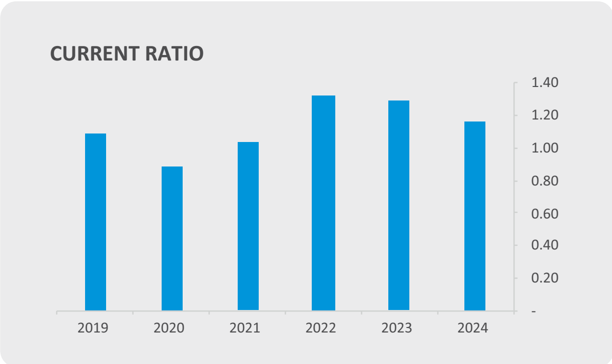
KEY OPERATING AND FINANCIAL DATA

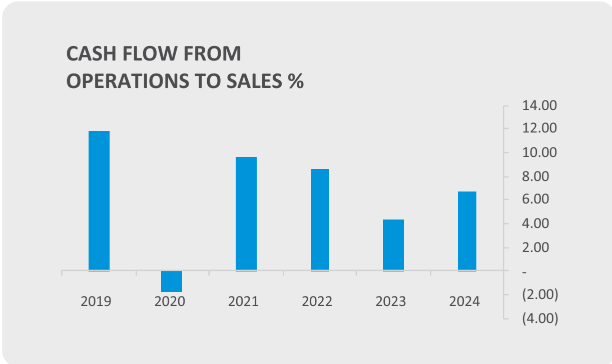
SIX YEARS SUMMARY

Financial Highlights	2024	2023	2022	2021	2020	2019
Liquidity Ratios:						
Current ratio	1.16	1.29	1.32	1.04	0.89	1.09
Acid test ratio	0.63	0.56	0.66	0.56	0.35	0.41
Cash to current liabilities	0.01	0.05	0.03	0.02	0.02	0.03
Cash flow from operations to sales %	6.65	4.38	8.64	9.68	(1.79)	11.75
Cash flow to capital expenditures	1.19	0.35	1.07	1.71	(0.28)	2.83
Cash flow coverage ratio	0.27	0.13	0.33	0.30	(0.04)	0.49

Liquidity Ratios:

Over the past six years, the liquidity ratios demonstrate a positive trend in financial health. The acid test ratio improved from 0.41 in 2019 to 0.63 in 2024, indicating enhanced short-term financial stability. Additionally, cash flow from operations as a percentage of sales rose from 4.38% in 2023 to 6.65% in 2024, reflecting improved operational efficiency as compared to previous year. Furthermore, the cash flow to capital expenditures ratio has increased to 1.19 in the preceeding two years, suggesting that the company is effectively generating cash to support its investments. Overall, these metrics highlight a strengthening ability to meet short-term obligations and invest in growth.

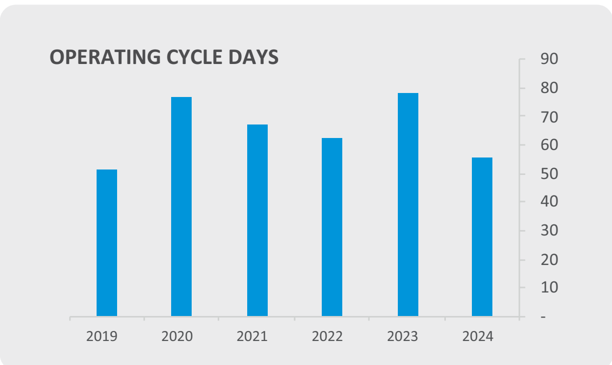


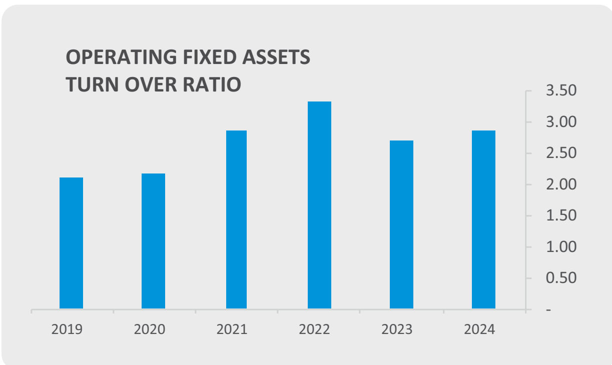


Financial Highlights	2024	2023	2022	2021	2020	2019
Activity / Turnover Ratios:						
No. of days in Inventory	59	78	62	72	94	66
No. of days in receivables	34	38	35	34	32	27
No. of days in creditors	38	39	35	40	50	41
Operating cycle	55	78	62	67	76	52
Inventory turn over	6	5	6	5	4	6
Debtors turn over ratio	11	10	10	11	11	13
Creditors turnover ratio	10	9	10	9	7	9
Total assets turn over / return on investment ratio	1.17	0.96	1.07	0.90	0.75	0.84
Fixed assets turn over ratio	2.74	2.46	2.88	2.49	1.97	2.01
Operating fixed assets turn over ratio	2.84	2.68	3.33	2.85	2.16	2.10

Operating cycle:

In 2024, the company demonstrated significant improvements in operational efficiency, highlighted by a reduction in the number of days in inventory from 78 days in 2023 to 59 days, indicating better inventory management. The days in receivables also decreased from 38 to 34, reflecting enhanced efficiency in collecting payments. Additionally, days in creditors slightly declined from 39 to 38, showcasing effective management of payables. Most notably, the operating cycle improved from 78 days in 2023 to 55 days in 2024, resulting in a faster cash conversion cycle. These trends collectively suggest a stronger liquidity position and improved cash flow management.

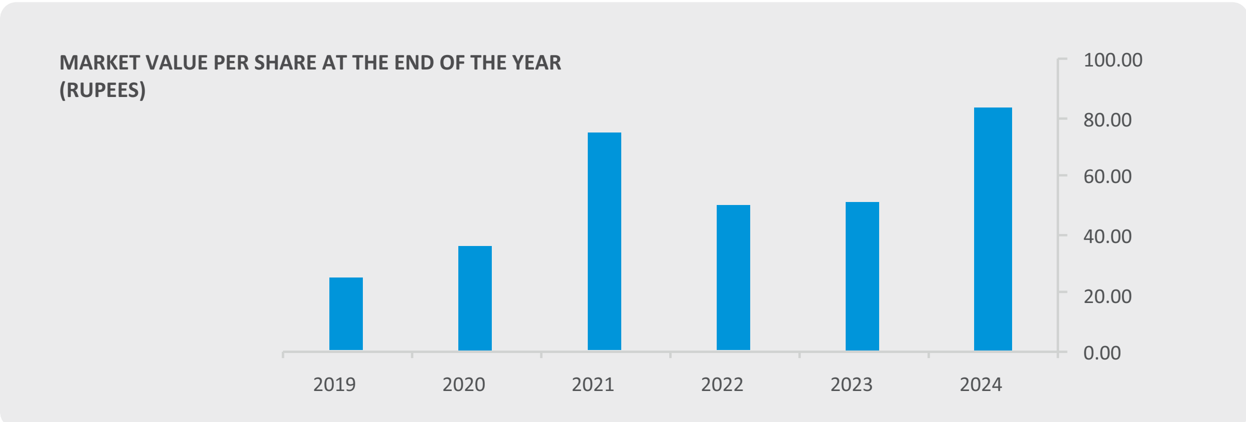




KEY OPERATING AND FINANCIAL DATA

SIX YEARS SUMMARY

Financial Highlights	2024	2023	2022	2021	2020	2019
Investment / Market Ratios:						
Earning per share - Basic - (Rupees)	8.07	8.05	15.84	9.21	5.11	5.85
Earning per share - Diluted - (Rupees)	8.07	8.05	15.84	9.21	5.11	5.85
Price earning ratio	10.28	6.32	3.16	8.17	6.96	4.28
Price to book ratio	82.96 : 108.55	50.91 : 89.99	50 : 81.19	75.2 : 67.35	35.51 : 60.04	25.05 : 56.69
Dividend yield ratio	0%	0%	10%	20%	20%	18%
Dividend payout ratio (%age)	-	-	6.31	21.72	39.17	29.92
Dividend cover ratio - (Times)	-	-	15.84	4.60	2.55	3.34
Cash dividend per share - (Rupees)	-	-	1	2	2	1.75
Stock dividend per share	-	-	-	-	-	-
Breakup value per share - (Rupees):						
- without revaluation surplus	86.41	76.82	68.25	54.41	47.20	43.85
- with revaluation surplus	108.55	89.99	81.19	67.35	60.04	56.69
- with revaluation surplus and investments at fair value	185.03	123.31	110.22	96.89	89.59	72.26
Market value per share at the end of the year - (Rupees)	82.96	50.91	50.00	75.20	35.51	25.05
Share Price - High during the year - (Rupees)	108.00	63.07	88.71	80.00	45.00	57.25
Share Price - Low during the year - (Rupees)	51.23	34.05	50.00	35.51	19.28	25.05
Earning assets to total assets ratio (%age)	66.06	63.27	65.23	69.17	69.02	72.26



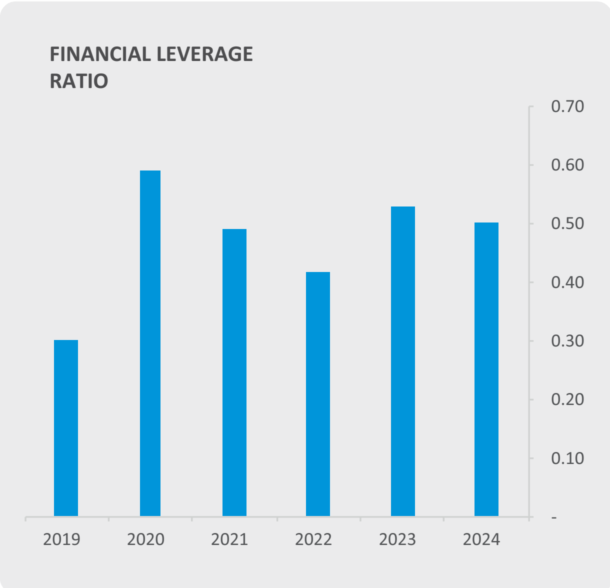
KEY OPERATING AND FINANCIAL DATA

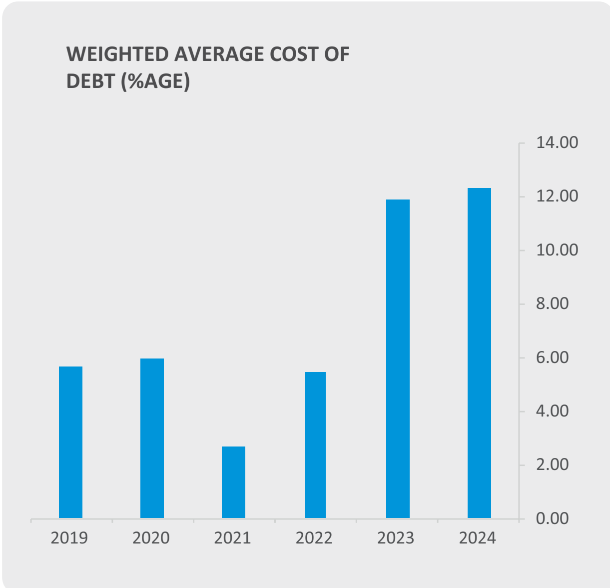
SIX YEARS SUMMARY

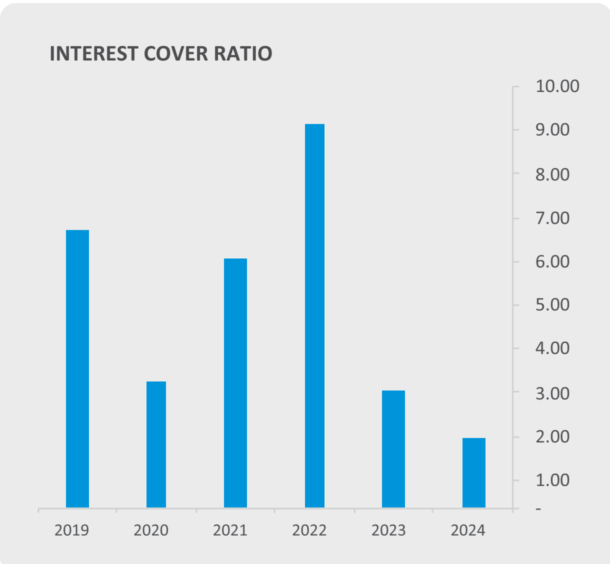
Financial Highlights	2024	2023	2022	2021	2020	2019
Capital Structure Ratios:						
Financial leverage ratio	0.50	0.54	0.43	0.48	0.58	0.30
Weighted average cost of debt (%age)	12.46	11.76	5.08	3.17	5.90	5.40
Long term debt to equity ratio (as per book)	19 : 81	22 : 78	18 : 82	17 : 83	14 : 86	10 : 90
Debt to equity ratio (as per market value)	24 : 76	33 : 67	26 : 74	16 : 84	22 : 78	21 : 79
Interest cover ratio	1.95	3.08	9.18	6.12	3.34	6.55
Average operating working capital to sales ratio	0.18	0.23	0.19	0.21	0.23	0.19
Net borrowing to EBITDA ratio	1.81	2.24	1.24	2.02	3.16	1.51
Net assets per share	108.55	89.99	81.19	67.35	60.04	56.69
Debt service coverage ratio	1.66	2.87	4.59	3.87	2.99	4.12

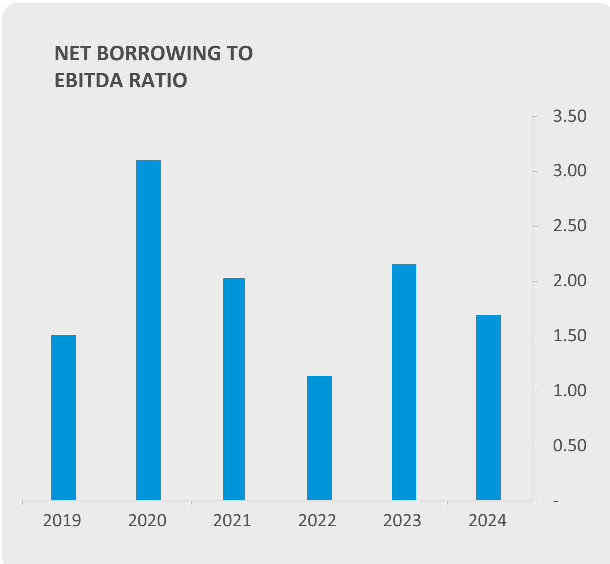
Comment on interest cover ratio:
Interest cover ratio:

The Interest Cover Ratio is a key financial metric that assesses a company's ability to meet interest payments on its outstanding debts. While the Company's interest cover ratio has declined in recent years, this trend is primarily driven by increased borrowings aimed at modernizing production facilities, fulfilling working capital requirements, and investing in solar power projects. Additionally, rising borrowing costs have contributed to this shift, reflecting the company's strategic investments for future growth.





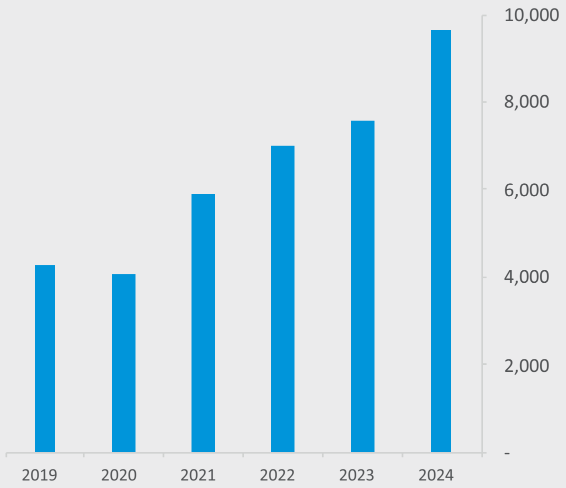




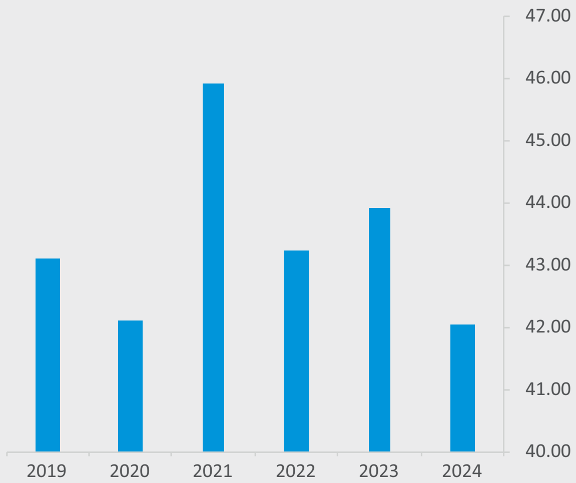
KEY OPERATING AND FINANCIAL DATA
SIX YEARS SUMMARY

Financial Highlights	2024	2023	2022	2021	2020	2019
Employee Productivity Ratios:						
Production per employee						
Spinnning - Kg's 000	42.07	43.81	43.45	45.80	42.18	43.22
Processing - Meters ' 000	6.09	5.57	5.78	6.35	7.00	7.24
Weaving - Sq. Meter '000	146.15	129.57	127.34	114.28	98.09	119.55
Revenue per employee (Rupees '000)	9,338	7,274	7,162	5,812	4,147	4,477
Staff Turnover Ratio	2	3	2	1	2	3

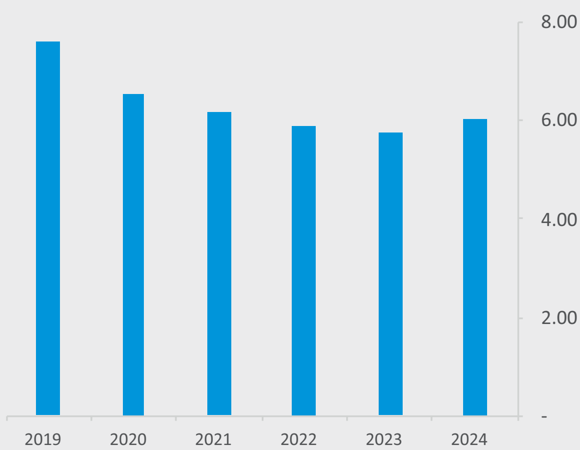
REVENUE PER EMPLOYEE
(RUPEES '000')



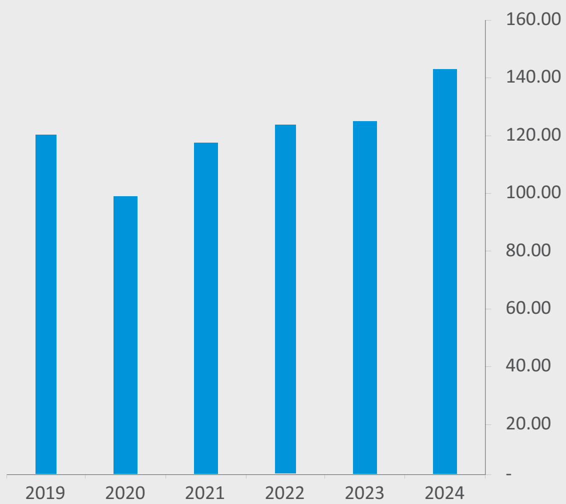
PRODUCTION / EMPLOYEE
SPINNNING - KG'S '000'



PRODUCTION / EMPLOYEE
PROCESSING - METERS '000'



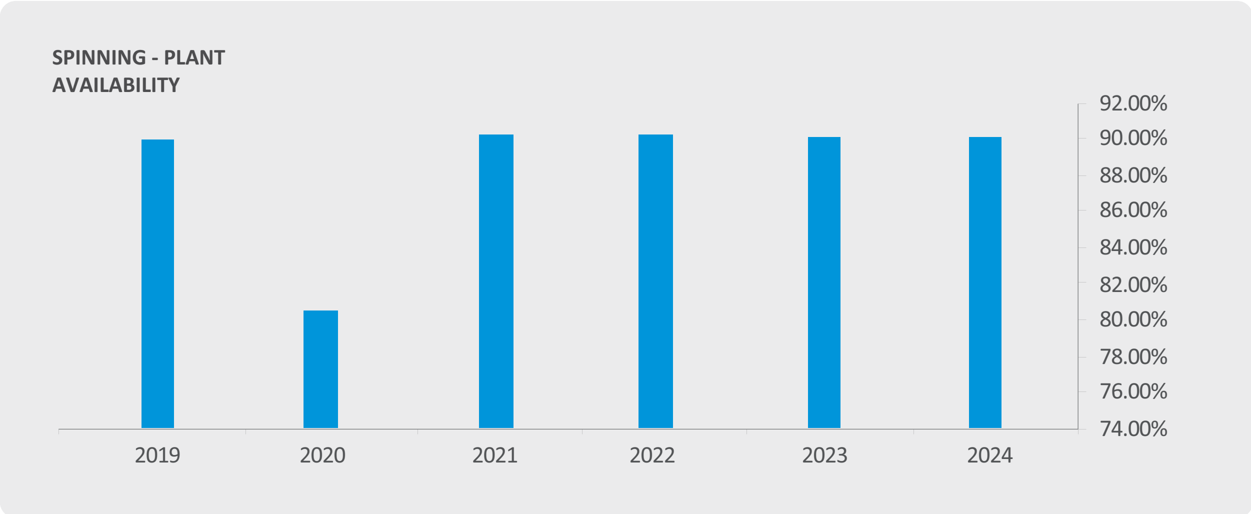
PRODUCTION / EMPLOYEE
WEAVING - SQ. METER '000'

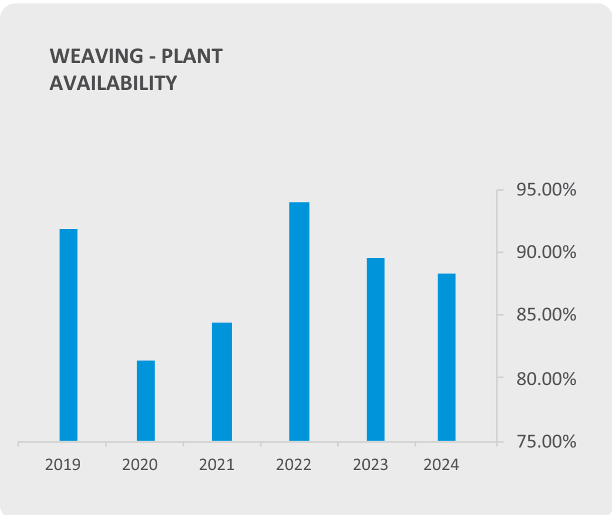


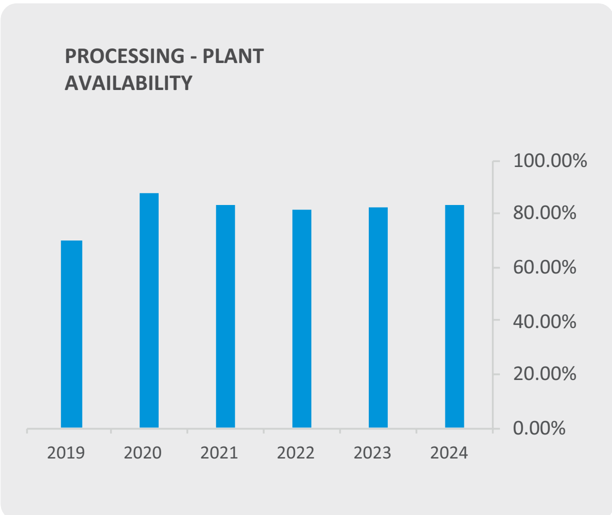
KEY OPERATING AND FINANCIAL DATA

SIX YEARS SUMMARY

Financial Highlights	2024	2023	2022	2021	2020	2019
Non-Financial Ratios:						
Plant Availability						
Spinning	90.05%	90.08%	90.27%	90.30%	80.50%	89.90%
Processing	82.93%	82.30%	81.40%	83.30%	87.80%	70.10%
Weaving	88.30%	89.59%	93.95%	84.32%	81.40%	91.80%
Customer Satisfaction index	2	3	2	1	2	3
Customer Retention Ratio	85%	82%	87%	89%	84%	81%
Others:						
Spares inventory as % of asset cost	0.47%	0.47%	0.59%	0.58%	0.43%	0.48%
Maintenance cost as % operating expenses	4.29%	6.12%	5.78%	7.64%	8.10%	7.40%
Ratios for Shariah compliant companies:						
Loan on interest to market capitalization	29.79%	37.38%	28.67%	24.62%	40.80%	23.70%
Total interest-taking deposits to market capitalization	1.23%	2.33%	1.75%	0.70%	0.61%	0.86%
Income generated from prohibited component to Total Income	0.25%	0.28%	0.12%	0.07%	0.34%	0.08%







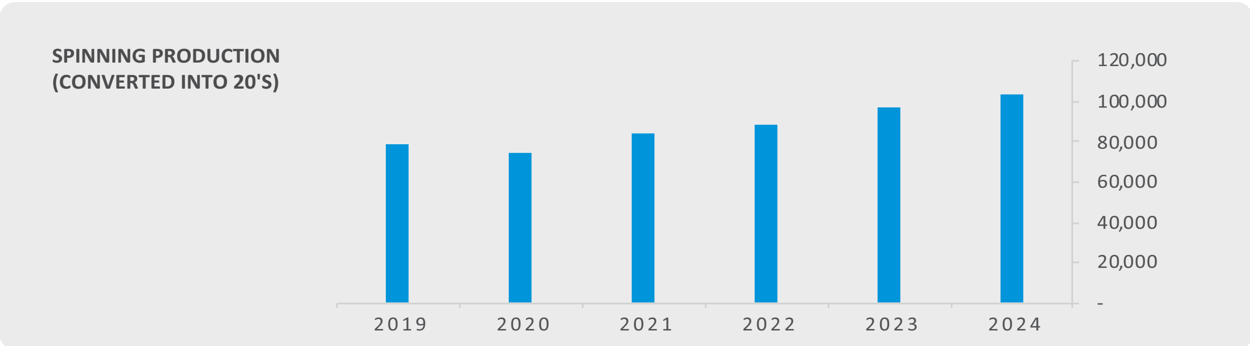
KEY OPERATING AND FINANCIAL DATA

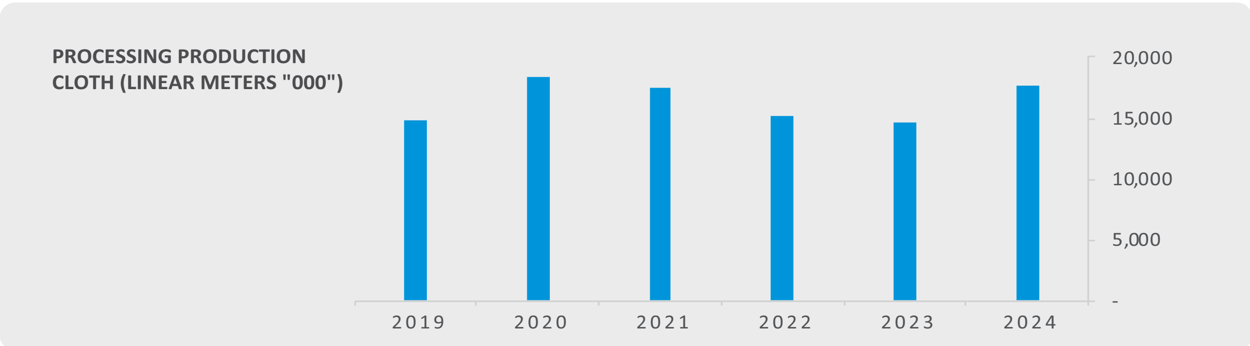
SIX YEARS SUMMARY

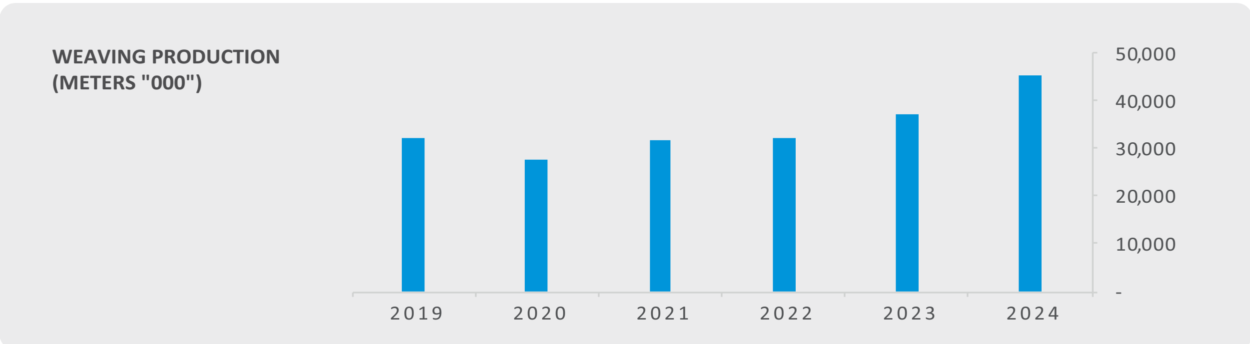
Financial Highlights	2024	2023	2022	2021	2020	2019
Quantitative Data						
Yarn (Kgs "000") :						
Production (cont. into 20s)						
KTM Division	50,886	50,973	46,536	39,810	41,751	41,331
KGM Division	45,944	37,738	37,773	34,382	36,994	36,603
	96,830	88,711	84,309	74,192	78,745	77,934
Sales / Tran.for wvg.(actual count)						
KTM Division	23,837	18,056	19,907	19,329	16,118	16,699
KGM Division	10,090	8,283	6,975	6,573	6,071	5,858
	33,927	26,339	26,882	25,902	22,189	22,557
(Linear meters "000"):						
Processing (Rawalpindi Division)						
Production	17,700	14,651	15,162	17,525	18,468	14,757
Sales	17,492	14,692	14,542	18,101	15,067	12,967
Weaving (Raiwind Division)						
Production	45,229	37,442	32,031	31,705	27,919	32,447
Sales	45,962	36,068	31,399	32,998	26,654	32,299

Production Capacity:

Production in spinning / weaving divisions is continuously increasing due to inclusion of latest machinery with better efficiencies. Production of processing / home textile division is dependent on various factor such as run / cut size, print density etc. therefore it is showing variable trend over the period.







HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

Kohinoor Textile Mills Limited has an established mechanism of performance appraisal. Key Performance Indictors (KPIs), for both financial and non-financial economic activities, are set for each objective or project and then its progress is monitored and evaluated by the management against those KPIs.

Financial Review section of this report enlists and elaborates major KPIs that management of the Company prefers to review on regular basis to access the 'Operational' and 'Financial' performance of the Company's economic affairs. Key variances indicated by the KPIs are also explained briefly to help understand the performance of business activities.

Since, there isn't any change in the Company's principal business activities and related industry from previous year, the management believes the set KPIs sufficiently indicates the project performance and didn't required any change.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

A performance indicator represents parameters and factors that may caste an impact of decisive nature on a company's financial position, financial performance or liquidity position. Following are the key assumptions in compiling these indicators:

Financial Position:

- Appropriateness of capital mix in the company
- Proportion of financial leverage in debt equity mix
- Change in current ratio

Financial performance:

- Maintaining high local sales retention
- Monitoring key components of variable cost to be amongst top cost effective players
- Initiating and maintaining techniques for optimal fixed cost absorption and appropriate mix of operational leverage.

Liquidity Position:

- Keeping an eye on funds used in / generated from operating, investing and financial cash flow activities
- Reviewing funds used in working capital management
- Effectively segregating cash and non-cash items

All the indicators are devised in the light of these basic assumptions and are periodically reviewed and monitored. Furthermore, Company performance variance analysis from corresponding figures of comparative periods and from budgeted figures as comparability over time provides good basis of Corporate Reporting. These indicators are finally used to report financial information to all users of the financial statements in the form of annual financial statements.

DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit ratio:

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio:

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio:

The Operating profit ratio indicates the ratio of company's profit before interest and taxes to net sales.

Current Ratio:

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better it is.

Debt-Equity Ratio:

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For Comparative purposes, debt-equity is most useful for companies within the same industry.

Earnings Per Share (EPS):

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin:

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better it is. Trends in margin can be attributed to rising/ falling production costs or rising / falling price of the goods sold.

Return on Equity (ROE):

A percentage that indicates how efficiently common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Return on Investment (ROI):

Also Known as return on invested capital (ROIC). ROI is a measure of how well management has used the company's resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because assets include debt as well as equity. It is a useful to compare a company's ROI with others in the same industry.

Du Pont Analysis:

A type of analysis that examines a company's Return on Equity (ROE) by splitting it into three main components; profit margin, total asset turnover and equity multiplier. This analysis highlight the main driving factor of ROE and the factor which needs to be addressed to improve the ROE.

Free Cash Flow:

Free Cash Flow (FCF) is the Cash a Company produces through its operations, less the cost of expenditures on assets & net borrowings. Ample availability of Cash depicts financial health of a Company to discharge its financial and operational commitments hence having lesser dependency on external sources of finance providers.

Economic Value Added:

Economic value added (EVAD) is a measure of a Company's operating profit after tax generated in excess of cost of funds deployed. Ample EVAD exhibits that operations of the Company are driven with level of accuracy to full fill the requirements of finance providers.

This disclosure is being added as per requirements of Securities and Exchange Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.


12 FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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KOHINOOR
TEXTILE MILLS LTD.

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Textile Mills Limited

Opinion

We have audited the annexed financial statements of Kohinoor Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A member of Nexia International

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	Inventory existence and valuation: As at 30 June 2024, inventory is stated at Rupees 7,935.673 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 1,053.241 million - Stock-in-trade Rupees 6,882.432 million Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size, representing 15.304% of total assets of the Company as at 30 June 2024, and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, Inventories note 2.10 to the financial statements. - Stores, spare parts and loose tools note 18 and Stock-in-trade note 19 to the financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice; • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory; • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; and • We also made enquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Sr. No.	Key audit matters	How the matters were addressed in our audit
2	Revenue recognition The Company recognized net revenue of Rupees 58,174.952 million for the year ended 30 June 2024. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue from contracts with customers note 2.15 to the financial statements. - Revenue note 26 to the financial statements.	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and • Considering the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Riaz Ahmad & Company
Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmad.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad

DATE: 25 September 2024

UDIN: AR202410777DrbeR0sP5

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (2023: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (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	4	2,692,994	2,992,964
Reserves	5		
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land		5,963,401	3,861,708
Reserve against capacity expansion		15,000,000	-
Reserve against buy-back of shares		1,775,000	-
Own shares purchased for cancellation		-	(312,153)
		23,724,478	4,535,632
Revenue reserves			
General reserve		-	1,450,491
Unappropriated profit		2,815,084	17,415,710
		2,815,084	18,866,201
		26,539,562	23,401,833
Total equity		29,232,556	26,394,797
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	5,820,491	6,408,355
Deferred government grant	7	9,970	13,441
Deferred income tax liability	8	1,754,292	1,503,053
		7,584,753	7,924,849
CURRENT LIABILITIES			
Trade and other payables	9	5,434,358	4,641,433
Accrued mark-up	10	565,079	483,829
Short term borrowings	11	7,503,576	6,894,851
Current portion of non-current liabilities	12	1,242,931	1,028,416
Unclaimed dividend		31,543	32,264
Provision for taxation and levy - net	13	258,807	485,779
		15,036,294	13,566,572
TOTAL LIABILITIES		22,621,047	21,491,421
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		51,853,603	47,886,218

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	23,177,548	19,218,251
Long term investments	16	11,078,733	11,078,733
Long term deposits	17	114,753	61,628
		34,371,034	30,358,612
CURRENT ASSETS			
Stores, spare parts and loose tools	18	1,053,241	1,069,324
Stock-in-trade	19	6,882,432	8,863,674
Trade debts	20	6,437,592	4,430,883
Advances	21	594,872	277,849
Short term deposits and prepayments	22	39,974	30,361
Other receivables	23	1,740,066	1,744,173
Short term investments	24	515,341	467,867
Cash and bank balances	25	219,051	643,475
		17,482,569	17,527,606
TOTAL ASSETS		51,853,603	47,886,218

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
REVENUE	26	58,174,952	42,046,556
COST OF SALES	27	(48,887,621)	(34,566,123)
GROSS PROFIT		9,287,331	7,480,433
DISTRIBUTION COST	28	(1,777,917)	(1,319,918)
ADMINISTRATIVE EXPENSES	29	(1,245,316)	(1,039,808)
OTHER EXPENSES	30	(176,697)	(434,658)
		(3,199,930)	(2,794,384)
		6,087,401	4,686,049
OTHER INCOME	31	455,326	444,851
PROFIT FROM OPERATIONS		6,542,727	5,130,900
FINANCE COST	32	(3,359,345)	(1,667,308)
PROFIT BEFORE LEVY AND TAXATION		3,183,382	3,463,592
LEVY	33	(192,756)	(137,313)
PROFIT BEFORE TAXATION		2,990,626	3,326,279
TAXATION	34	(791,464)	(919,017)
PROFIT AFTER TAXATION		2,199,162	2,407,262

	Note	2024	2023
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	35	8.07	8.05

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024	2023
	(Rupees in thousand)	
PROFIT AFTER TAXATION	2,199,162	2,407,262
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
- Surplus on revaluation of freehold land (Note 5)	2,101,693	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	2,101,693	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,300,855	2,407,262

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Share capital	Reserves											Total equity
		Capital reserves						Revenue reserves			Total reserves		
		Share premium	Reserve against capacity expansion	Reserve against buy-back of shares	Own shares purchased for cancellation	Surplus on revaluation of freehold land	Sub-total	General reserve	Unappropriated profit	Sub-total			
	(Rupees in thousand)												
Balance as at 01 July 2022	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
Own shares purchased during the year for cancellation (Note 5)	-	-	-	-	(312,153)	-	(312,153)	-	-	-	(312,153)		(312,153)
Surplus on revaluation of investment property (Note 5)	-	-	-	-	-	(10,066)	(10,066)	-	10,066	10,066	-		-
Profit for the year	-	-	-	-	-	-	-	-	2,407,262	2,407,262	2,407,262		2,407,262
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	2,407,262	2,407,262	2,407,262		2,407,262
Balance as at 30 June 2023	2,992,964	986,077	-	-	(312,153)	3,861,708	4,535,632	1,450,491	17,415,710	18,866,201	23,401,833		26,394,797
Own shares purchased during the year for cancellation (Note 5)	(299,970)	-	-	-	312,153	-	312,153	-	(1,475,279)	(1,475,279)	(1,163,126)		(1,463,096)
Transfer from revenue reserves to capital reserves (Note 5)	-	-	15,000,000	1,775,000	-	-	16,775,000	(1,450,491)	(15,324,509)	(16,775,000)	-		-
Profit for the year	-	-	-	-	-	-	-	-	2,199,162	2,199,162	2,199,162		2,199,162
Other comprehensive income for the year	-	-	-	-	-	2,101,693	2,101,693	-	-	-	2,101,693		2,101,693
Total comprehensive income for the year	-	-	-	-	-	2,101,693	2,101,693	-	2,199,162	2,199,162	4,300,855		4,300,855
Balance as at 30 June 2024	2,692,994	986,077	15,000,000	1,775,000	-	5,963,401	23,724,478	-	2,815,084	2,815,084	26,539,562		29,232,556

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	8,218,865	4,233,854
Finance cost paid		(3,278,095)	(1,291,462)
Income tax and levies paid		(959,953)	(851,197)
Workers' welfare fund paid		(20,742)	(58,307)
Workers' profits participation fund paid		(39,120)	(182,692)
Net increase in long term deposits		(53,125)	(7,155)
Net cash generated from operating activities		3,867,830	1,843,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,259,993)	(5,265,764)
Proceeds from disposal of property, plant and equipment		57,916	26,910
Proceeds from disposal of long term investments		-	28,021
Short term investments - net		(28,605)	(55,745)
Interest received		167,411	131,736
Dividend received		2,929	19,241
Net cash used in investing activities		(3,060,342)	(5,115,601)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,115,127	3,093,962
Repayment of long term financing		(1,491,947)	(835,089)
Own shares purchased for cancellation		(1,463,096)	(312,153)
Short term borrowings - net		608,725	1,660,056
Dividend paid		(721)	(370)
Net cash (used in) / from financing activities		(1,231,912)	3,606,406
Net (decrease) / increase in cash and cash equivalents		(424,424)	333,846
Cash and cash equivalents at the beginning of the year		643,475	309,629
Cash and cash equivalents at the end of the year		219,051	643,475

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Kohinoor Textile Mills Limited (the Company) 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.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
	Manufacturing units:	
1	Spinning and Home textile units	Peshawar Road, Rawalpindi.
2	Spinning unit	Gulyana Road, Gujar Khan, District Rawalpindi.
3	Weaving unit	8 K.M. Manga Raiwind Road, District Kasur.
	Head office	42-Lawrence Road, Lahore.

1.3 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately. Details of the Company's investment in subsidiaries are stated in note 16 to these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

From the financial year ending on 30 June 2025 (tax year 2025), income of the Company including from export sales will be taxed under the normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary difference between the accounting and tax base of operating fixed assets is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Company is transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under the final tax regime till 30 June 2024) has now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred income tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred income tax.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision are recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Impairment of investment in subsidiary companies

In making an estimate of recoverable amount of the Company's investment in subsidiary companies, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore, the benefits of unimpeded access.

Revaluation of freehold land (Note 45)

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').

- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').

- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
		(Rupees in thousand)
Statement of profit or loss:		
Taxation	Levy	137,313
Statement of financial position:		
Provision for taxation	Levy payable	137,313
Advance income tax	Prepaid levy	137,313

Had there been no change in the above referred accounting policy, amount of levy Rupees 192.756 million, levy payable Rupees 192.756 million and prepaid levy Rupees 192.756 million would have been presented as taxation expense, provision for taxation and advance income tax respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact on earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective restatement do not have a effect on the information in the statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in note 15.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are de-recognized. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.4 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

2.5 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.6 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.7 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.8 Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.9 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.10 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i) For raw materials:	Annual average basis.
(ii) For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.11 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.12 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.13 Borrowing cost

Interest, markup and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.14 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.15 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Company provides processing services to local customers. These services are rendered separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.16 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract assets are treated as financial assets for impairment purposes.

2.17 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.18 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.19 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.20 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.21 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.22 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.23 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.24 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.25 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.26 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.27 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

2.28 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.29 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.30 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn) and Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.31 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefit

The Company operates an approved funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and employees at the rate of 8.33 percent of basic salary and cost of living allowance to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

3.2 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

3.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.6 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024	2023		2024	2023
(Number of Shares)			(Rupees in thousand)	
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
139,185,327	169,182,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,391,853	1,691,823
269,299,456	299,296,456		2,692,994	2,992,964

5. RESERVES

	Note	2024	2023
		(Rupees in thousand)	
Composition of reserves is as follows:			
Capital reserves			
Share premium	5.1	986,077	986,077
Surplus on revaluation of freehold land and investment properties:	5.2		
- Freehold land			
As at 01 July		3,861,708	2,608,182
Fair value adjustment		2,101,693	-
Transferred from investment properties		-	1,253,526
		5,963,401	3,861,708
- Investment properties			
As at 01 July		-	1,263,592
Transferred to surplus on revaluation of freehold land		-	(1,253,526)
Transferred to unappropriated profit		-	(10,066)
As at 30 June		-	-
		5,963,401	3,861,708
Reserve against capacity expansion	5.3	15,000,000	-
Reserve against buy-back of shares	5.3	1,775,000	-
Own shares purchased for cancellation	5.4	-	(312,153)
		23,724,478	4,535,632
Revenue reserves			
General reserve		-	1,450,491
Unappropriated profit		2,815,084	17,415,710
		2,815,084	18,866,201
		26,539,562	23,401,833

5.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents net accumulative increase in the carrying amount as a result of revaluation of freehold land. This surplus on revaluation of freehold land is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3 The Board of Directors of the Company approved on 13 June 2024 that, over the years the Company has continued with its expansion strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the revenue reserves of the Company has been utilized and are not entirely available for distribution as dividend. Therefore, the Board decided to re-classify a sum of Rupees 16.775 billion from the revenue reserves to separate capital reserves (not available for distribution by way of dividend) to more accurately reflect the nature of these reserves.

5.4 The Company has bought back 29.997 million shares for the purpose of cancellation from 03 May 2023 to 28 August 2023 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Company in their meetings held on 06 February 2023 and 03 March 2023 respectively, where the Company was allowed to purchase/buy back its issued ordinary shares upto the maximum of 30 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from 13 March 2023 to 29 August 2023. These shares were cancelled on 07 September 2023.

	Note	2024	2023
		(Rupees in thousand)	
6. LONG TERM FINANCING			
Long term loans:			
From banking companies and other financial institutions - secured	6.1	7,059,950	7,432,812
Less: Current portion shown under current liabilities	12	(1,239,459)	(1,024,457)
		5,820,491	6,408,355

6.1 Long term loans

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
The Bank of Punjab	235,635	285,318	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	Joint pari passu charge amounting to Rupees 2,861.643 million (inclusive of 25% margin) over plant and machinery and mortgage charge of Rupees 934 million on land measuring 43 Acres, 07 Kanals and 12 Marlas of the Company.
	271,774	348,269	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	296,933	363,600	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	288,921	349,917	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
	72,308	82,638		3 Month Kibor + 1.00%			
	361,229	432,555					
	447,001	459,269	500,000	3 Month Kibor + 1.00%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,612,572	1,889,011	2,300,000				
MCB Bank Limited	112,467	123,825	123,282	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commenced from 12 November 2023 and ending on 12 August 2031.	Quarterly	Joint pari passu charge amounting to Rupees 3,816 million (inclusive of 25% margin) over plant and machinery of the Company.
MCB Bank Limited	1,732,699	1,732,699	1,732,699	3 Month Kibor + 1.00%	Thirty two unequal quarterly installments commencing from 21 October 2024 and ending on 20 November 2032.	Quarterly	
MCB Bank Limited (Note 6.1.1)	410,128	465,719	458,420	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commenced from 25 May 2023 and ending on 04 June 2031.	Quarterly	
MCB Bank Limited	373,996	-	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commencing from 20 January 2025 and ending on 20 October 2030.	Quarterly	
	2,629,290	2,322,243	2,688,397				
National Bank of Pakistan	250,642	333,515	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	Joint pari passu charge amounting to Rupees 2,192.493 million (inclusive of 25% margin) over plant and machinery of the Company.
	95,140	131,395	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 09 June 2027.	Half yearly	
	91,175	113,968	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 03 March 2023 and ending on 03 March 2028.	Half yearly	

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
	311,701	374,646	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 10 September 2022 and ending on 06 April 2029.	Half yearly	
	-	122,337		6 Month Kibor + 1.50%			
	311,701	496,983					
	85,389	184,453	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	834,047	1,260,314	1,861,000				
PAIR Investment Company Limited	49,050	92,308	180,500	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	Quarterly	Joint pari passu charge amounting to Rupees 324.64 million (inclusive of 25% margin) over plant and machinery of the Company.
	81,147	101,077	119,500	SBP LTFF rate + 1.50%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	130,197	193,385	300,000				
United Bank Limited	140,916	144,048	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commenced from 01 April 2024 and ending on 31 July 2030.	Quarterly	Joint pari passu charge amounting to Rupees 1,066.667 million (inclusive of 25% margin) over plant and machinery of the Company.
	355,952	27,341		3 Month Kibor + 1.00%			
	496,868	171,389					
	253,846	300,000	300,000	3 Month Kibor + 1.00%	Twenty equal quarterly installments commenced from 13 September 2023 and ending on 13 December 2029.	Quarterly	
	750,714	471,389	800,000				
Askari Bank Limited	78,424	109,802	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	Joint pari passu charge amounting to Rupees 467 million (inclusive of 25% margin) over land and building and Rupees 178 million (inclusive of 25% margin) over plant and machinery of Raiwind Division of the Company.
Allied Bank Limited	304,038	388,100	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	Joint pari passu charge amounting to Rupees 1,839.453 million (inclusive of 25% margin) over plant and machinery of the Company.
Allied Bank Limited	317,540	381,708	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 24 January 2023 and ending on 20 June 2030.	Quarterly	
	403,128	416,860		3 Month Kibor + 0.75%			
	720,668	798,568					
	1,024,706	1,186,668	1,300,000				
	7,059,950	7,432,812	9,599,397				

6.1.1 This represents 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. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Balance at beginning of the year		465,719	466,488
Repayments during the year		(59,549)	(4,892)
		406,170	461,596
Unwinding of discount on liability		3,958	4,123
Balance as at end of the year		410,128	465,719

6.2 Effective rate of mark-up charged during the year on these finances ranged from 2% to 24.47% (2023: 0.5% to 23.07%) per annum.

	Note	2024	2023
		(Rupees in thousand)	
7. DEFERRED GOVERNMENT GRANT			
At beginning of the year	7.1	17,400	26,427
Less: Amortisation of deferred government grant during the year		(3,958)	(9,027)
		13,442	17,400
Less: Current portion of deferred government grant	12	(3,472)	(3,959)
		9,970	13,441

7.1 This represents deferred government grant in respect of long term loan obtained under "SBP Temporary Economic Refinance Facility" for import of plant and machinery as disclosed in note 6.1.1 to the financial statements. There are no unfulfilled conditions or other contingencies attached to these grants.

	Note	2024	2023
		(Rupees in thousand)	
8. DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred income tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		2,003,018	1,566,930
Deferred income tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(17,317)	(59,794)
Provision against obsolete stock in trade		(1,522)	(1,522)
Provision against slow moving stores, spare parts and loose tools		(4,403)	(2,561)
Unused tax credit - minimum tax under section 113	8.1	(225,484)	-
		(248,726)	(63,877)
	8.2	1,754,292	1,503,053

8.1 This represents unused tax credit against minimum tax under section 113 of Income Tax Ordinance, 2001 and can be carried forward for adjustment against tax liability for maximum period of three years.

	Note	2024	2023
		(Rupees in thousand)	
8.2 Movement in deferred income tax balances is as follows:			
At beginning of the year		1,503,053	860,560
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		436,088	662,573
- allowance for expected credit losses		42,477	(18,530)
- provision against obsolete stock in trade		-	(234)
- provision against slow moving stores, spare parts and loose tools		(1,842)	(1,316)
- unused tax credit - minimum tax under section 113		(225,484)	-
	34	251,239	642,493
		1,754,292	1,503,053

9. TRADE AND OTHER PAYABLES

	Note	2024	2023
Creditors		2,869,426	2,235,852
Accrued liabilities	9.1	987,066	848,785
Duties and taxes		528,538	552,402
Sindh infrastructure development cess	9.2	455,736	349,878
Contract liabilities - unsecured		229,807	333,800
Workers' welfare fund	9.3	251,540	207,314
Payable to subsidiary company - Maple Leaf Cement Factory Limited - net		-	11,665
Withholding income tax payable		21,315	27,086
Payable to employees' provident fund trust		32,833	17,933
Retention money payable		57,195	55,459
Others		902	1,259
		5,434,358	4,641,433

9.1 Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2023: Rupees 310.020 million) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication.

	Note	2024	2023
		(Rupees in thousand)	
9.2 Sindh infrastructure development cess			
Balance as at 01 July		349,878	198,652
Add: Provision for the year		105,858	151,226
Balance as at 30 June	9.2.1	455,736	349,878

9.2.1 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Honorable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honorable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed to encash bank guarantees. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also directed the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

	Note	2024	2023
		(Rupees in thousand)	
9.3 Workers' welfare fund			
Balance as on 01 July		207,314	194,936
Provision for the year	30	64,968	70,685
		272,282	265,621
Less: Payment during the year		(20,742)	(58,307)
		251,540	207,314

10. ACCRUED MARK-UP

	Note	2024	2023
Long term financing		185,647	198,924
Short term borrowings		379,432	284,905
		565,079	483,829

11. SHORT TERM BORROWINGS

	Note	2024	2023
From banking companies - secured			
Short term running finances	11.1	-	208,524
Other short term finances	11.1&11.2	2,949,158	2,404,661
State Bank of Pakistan (SBP) refinances	11.1&11.3	4,503,931	4,278,931
Temporary overdraft	11.4	50,487	2,735
		7,503,576	6,894,851

11.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw materials, charge on current assets of the Company including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts and book debts. These form part of total credit facilities of Rupees 17,292 million (2023: Rupees 13,908 million). Markup on these finances is payable quarterly or at maturity.

11.2 The rates of mark-up range from 21.24% to 25.30% (2023: 15.25% to 23.05%) per annum on balance outstanding.

11.3 The rates of mark-up range from 13.0% to 19.0% (2023: 3.0% to 18.0%) per annum on balance outstanding.

11.4 This represents temporary overdraft due to cheques issued by the Company at the statement of financial position date.

	Note	2024	2023
		(Rupees in thousand)	
12. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	6	1,239,459	1,024,457
Deferred government grant	7	3,472	3,959
		1,242,931	1,028,416

	Note	2024	2023
		(Rupees in thousand)	

13. PROVISION FOR TAXATION AND LEVY - NET

13.1 Provision for taxation - net			
Provision for taxation		1,026,004	1,199,663
Less: Advance income tax		(767,197)	(713,884)
		258,807	485,779
13.2 Levy - net			
Levy payable		192,756	137,313
Less: prepaid levy		(192,756)	(137,313)
		-	-
		258,807	485,779

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

a) The Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122(5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) who granted partial relief to the Company vide order dated 08 March 2021. Another assessment under section 122(5A) dated 14 February 2017 was finalized by creating a demand of Rupees 12.185 million. The Company filed an appeal before CIR(A) who upheld the order of assessing officer through order dated 28 January 2021. The Company filed appeals before Honorable Appellate Tribunal Inland Revenue (ATIR) against above orders which are still pending for hearing. No provision has been made in these financial statements as the Company, based on the advice of its legal counsel is hopeful of a favorable outcome .

b) The Company filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full and final tax on exports cannot be adjusted against minimum tax @ 1% and creating demand of Rupees 49.807 million and the same has been upheld by the CIR(A). The impugned demand has been adjusted against refund for tax year 2013. An appeal has been filed by the Company in ATIR, ATIR vide order dated 04 April 2022 remanded back the case to assessing officer. The department filed an appeal before Honorable Lahore High Court, which is pending adjudication. Furthermore, an assessment under section 122(5A) of the Income Tax Ordinance, 2001 dated 22 December 2017 has been finalized and taxable income has been assessed at Rupees 520.126 million by creating demand of Rupees 91.535 million. The Company filed an appeal before CIR(A) who, vide its order dated 08 March 2021, granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the Honorable Appellate Tribunal Inland Revenue where the case is still pending. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

c) The Company filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Company filed an appeal before CIR(A) who granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the ATIR who, vide its order dated 25 January 2021, decided the case in favour of the Company. The department has filed appeal against this order in Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

d) The Company filed income tax return for the tax year 2018 having taxable income amounting to Rupees 483.836 million and creating a refund of Rupees 138.836 million. Assessment under section 122 (5A) dated 30 January 2023 of the Income Tax Ordinance, 2001 was finalized and taxable income had been assessed at Rupees 725.486 million, creating demand of Rupees 81.153 million. The Company has paid an amount of Rupees 30 million under protest and filed an appeal before CIR(A). The Company's appeal was disposed off through appellate order dated 17 April 2024 partially in favour of the Company. The Company has prefered an appeal before the ATIR, which is pending adjudication. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

e) The Company has filed a petition against the National Highway Authority's (NHA) demand for payment of registration fee of Rupees 75 million in accordance with the National Highway Authority Act of 1991. The argument is based on the fact that the Company is registered with relevant local bodies at the time of its establishment and that registration with NHA is not required. Moreover, legislation cannot be applied retrospectively to any company. A single bench of the Lahore High Court granted interim relief in favour of the Company in its order dated 22 October 2020, and the issue is presently pending adjudication. No provision has been made in these financial statements as the Company is hopeful of favorable outcome based on the advice of its legal counsel.

f) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million along with penalty of Rupees 120.001 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Company filed an appeal before CIR(A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Company while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), Deputy Commissioner Inland Revenue (DCIR) commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Company has filed an appeal against the order of the CIR(A) before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

g) On 25 October 2023, a sales tax demand of Rupees 1,175.268 million along with penalty under section 11 of Sales Tax Act, 1990 was created for the tax period November 2019 to June 2022 by the order of the DCIR dated 28 June 2024. The Company has filed an appeal against the order before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

h) The Company and tax authorities filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Company and tax authorities, no provision has been made in these financial statements which on the basis adopted by the authorities would amount to Rupees 637.620 million (2023: Rupees 451.507 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

i) The Company filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2023: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these financial statements since the Company is confident about favorable outcome of the cases based on the advice of its legal counsel.

j) The Company filed suits before Civil Court, Rawalpindi and Lahore High Court, against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these financial statements, since the Company is confident about favorable outcome based on the advice of its legal counsel.

k) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rupees 836.181 million (2023: Rupees 731.610 million).

14.2 Commitments in respect of:

a) Contracts for capital expenditures amounting to Rupees 16.366 million (2023: Rupees 61.542 million).

b) Letters of credit for capital expenditure amounting to Rupees 155.010 million (2023: Rupees 600.809 million).

c) Letters of credit other than for capital expenditure amounting to Rupees 1,999.905 million (2023: Rupees 1,269.175 million).

	Note	2024	2023
		(Rupees in thousand)	
15. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	22,454,400	17,848,405
Capital work-in-progress	15.2	723,148	1,369,846
		23,177,548	19,218,251

15.1 Operating fixed assets

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixtures	Office equipment	Vehicles	Total
	(Rupees in thousand)										
At 30 June 2022											
Cost / revalued amount	2,768,287	39,088	2,054,746	184,809	13,102,752	70,724	154,797	148,872	85,622	345,146	18,954,843
Accumulated depreciation	-	(10,067)	(1,021,258)	(85,047)	(6,144,306)	(43,492)	(121,484)	(68,843)	(41,049)	(147,242)	(7,682,788)
Net book value	2,768,287	29,021	1,033,488	99,762	6,958,446	27,232	33,313	80,029	44,573	197,904	11,272,055
Year ended 30 June 2023											
Opening net book value	2,768,287	29,021	1,033,488	99,762	6,958,446	27,232	33,313	80,029	44,573	197,904	11,272,055
Additions	-	-	85,711	-	231,495	16,021	13,112	3,335	5,919	65,391	420,984
Transfers from:											
Capital work-in-progress (Note 15.2)	-	-	834,079	131,854	4,299,368	-	-	-	-	49,741	5,315,042
Investment properties	1,799,335	25,025	-	-	-	-	-	-	-	-	1,824,360
	1,799,335	25,025	834,079	131,854	4,299,368	-	-	-	-	49,741	7,139,402
Disposals:											
Cost	-	-	-	-	(37,805)	-	(964)	-	-	(37,473)	(76,242)
Accumulated depreciation	-	-	-	-	28,122	-	658	-	-	28,109	56,889
	-	-	-	-	(9,683)	-	(306)	-	-	(9,364)	(19,353)
Depreciation charge	-	(1,064)	(104,979)	(13,089)	(784,897)	(3,752)	(10,757)	(3,132)	(4,482)	(38,531)	(964,683)
Closing net book value	4,567,622	52,982	1,848,299	218,527	10,694,729	39,501	35,362	80,232	46,010	265,141	17,848,405
At 30 June 2023											
Cost / revalued amount	4,567,622	64,113	2,974,536	316,663	17,595,810	86,745	166,945	152,207	91,541	422,805	26,438,987
Accumulated depreciation	-	(11,131)	(1,126,237)	(98,136)	(6,901,081)	(47,244)	(131,583)	(71,975)	(45,531)	(157,664)	(8,590,582)
Net book value	4,567,622	52,982	1,848,299	218,527	10,694,729	39,501	35,362	80,232	46,010	265,141	17,848,405
Year ended 30 June 2024											
Opening net book value	4,567,622	52,982	1,848,299	218,527	10,694,729	39,501	35,362	80,232	46,010	265,141	17,848,405
Revaluation surplus (Note 5)	2,101,693	-	-	-	-	-	-	-	-	-	2,101,693
Additions	-	-	-	-	160,217	8,761	81,556	4,903	8,425	13,934	277,796
Transfer from capital work-in-progress (Note 15.2)	-	-	334,268	3,123	3,189,387	1,094	-	-	-	101,023	3,628,895
Disposals:											
Cost	-	-	-	-	(47,374)	-	(3,465)	-	(412)	(34,892)	(86,143)
Accumulated depreciation	-	-	-	-	27,165	-	3,378	-	307	24,674	55,524
	-	-	-	-	(20,209)	-	(87)	-	(105)	(10,218)	(30,619)
Depreciation charge	-	(1,532)	(157,777)	(13,184)	(1,108,426)	(4,578)	(23,279)	(3,324)	(4,736)	(54,934)	(1,371,770)
Closing net book value	6,669,315	51,450	2,024,790	208,466	12,915,698	44,778	93,552	81,811	49,594	314,946	22,454,400
At 30 June 2024											
Cost / revalued amount	6,669,315	64,113	3,308,804	319,786	20,898,040	96,600	245,036	157,110	99,554	502,870	32,361,228
Accumulated depreciation	-	(12,663)	(1,284,014)	(111,320)	(7,982,342)	(51,822)	(151,484)	(75,299)	(49,960)	(187,924)	(9,906,828)
Net book value	6,669,315	51,450	2,024,790	208,466	12,915,698	44,778	93,552	81,811	49,594	314,946	22,454,400
Depreciation rate (%)	-	5	5 - 10	5 - 10	10	10	30	10	10	20	

15.1.1 Freehold land was revalued by an independent valuer, Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2024. Book value of freehold land on cost basis is Rupees 705.914 million (2023: Rupees 705.914 million) as at 30 June 2024. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963.401 million (2023: Rupees 3,861.708 million). Forced sale value of freehold land is Rupees 5,668.918 million (2023: Rupees 3,882.480 million).

15.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Plant and machinery							
Wood Boiler - England Wel Cock M-10223	16,024	11,771	4,253	3,814	(439)	Negotiation	Bio Products Trading (Private) Limited, Sahiwal
Emb Quilt Mach Multi-Needle Coverlet Quilting - China - Cshx 2- 33-0788	3,712	2,675	1,037	1,230	193	Negotiation	Nabeel Computerized Quilting, Faisalabad
Dryer Refriger	2,300	648	1,652	720	(932)	Negotiation	M/S AirMec, Lahore
Dryer Refrigerant Fd-1600 96							
M3/Min Belgium Atlas Copc	1,862	694	1,168	678	(490)	Negotiation	M/S AirMec, Lahore
Cooper Compressor TA 3000							
With Dryer	23,431	11,336	12,095	2,966	(9,129)	Negotiation	M/S AirMec, Lahore
	-	-					
	47,329	27,124	20,205	9,408	(10,797)		
Vehicles							
Honda Civic ABV-683	2,771	1,855	916	4,308	3,392	Auction	Muhammad Jahanzeb, Company's employee, Rawalpindi
Honda Civic ABY-626	2,771	1,855	916	4,100	3,184	Auction	Mr. Nisar Ahmed, Rawalpindi
Honda Civic 1.8L Orix BJ-502	2,645	2,040	605	3,250	2,645	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Black RI-16-799	2,074	1,482	592	3,550	2,958	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Black RI-16-299	1,922	1,373	549	2,800	2,251	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla LEF-3523	1,750	1,097	653	2,515	1,862	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla LE-16A-7170	1,292	731	561	3,175	2,614	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Sliver RIB-16-699	2,022	1,451	571	2,700	2,129	Insurance	E.F.U. General Insurance Limited
Honda Civic Turbo LEB-16A-551	3,079	2,129	950	2,332	1,382	Company policy	Mr. Ali Imran, Company's employee, Lahore
Suzuki Cultus 5657	1,571	1,004	567	1,509	942	Company policy	Mr. Rafique Ahmad Khan, Company's employee, Lahore
Suzuki Cultus 9697	1,590	1,023	567	1,241	674	Company policy	Mr. Abdul Rauf, Company's employee, Lahore
	23,487	16,040	7,447	31,480	24,033		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	15,327	12,360	2,967	17,028	14,061		
	86,143	55,524	30,619	57,916	27,297		

	Note	2024	2023
		(Rupees in thousand)	

15.1.3 Depreciation charged during the year has been allocated as follows:

	Note	2024	2023
Cost of sales	27	1,273,204	895,917
Administrative expenses	29	98,566	68,766
		1,371,770	964,683

15.1.4 Particulars of immovable properties (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total Area (Acres)	Covered Area ("000" Sqr meters)
Peshawar Road, Rawalpindi	Manufacturing facilities	64.68	1,147.55
	Residential and offices	56.58	832.57
	Land	43.95	-
8 KM, Manga Raiwind Road, District Kasur	Manufacturing facilities	13.22	280.26
	Residential and offices	8.11	122.58
	Land	11.24	-
Gulyana Road, Gujar Khan, District Rawalpindi	Manufacturing facilities	13.18	279.62
	Residential and offices	23.96	177.69
	Land	13.54	-
42-Lawrence Road, Lahore	Land and building	4.69	2.42
		253.15	2,842.69

15.2 Capital work-in-progress

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
		-------- (Rupees in thousand)--------			
At 30 June 2022		436,236	1,031,236	372,636	1,840,108
Add: Additions during the year		709,105	3,746,784	388,891	4,844,780
Less: Transferred to operating fixed assets during the year	15.1	(951,717)	(3,940,949)	(422,376)	(5,315,042)
At 30 June 2023		193,624	837,071	339,151	1,369,846
Add: Additions during the year		286,711	1,840,843	854,643	2,982,197
Less: Transferred to operating fixed assets during the year	15.1	(332,961)	(2,173,771)	(1,122,163)	(3,628,895)
At 30 June 2024		147,374	504,143	71,631	723,148

16. LONG TERM INVESTMENTS

	Note	2024	2023
		(Rupees in thousand)	
Equity instruments - subsidiary companies:			
Maple Leaf Cement Factory Limited - Quoted	16.1	8,578,733	8,578,733
Maple Leaf Capital Limited - Un-quoted	16.2	2,500,000	2,500,000
		11,078,733	11,078,733

16.1 The Company holds 606,497,944 (2023: 606,497,944) ordinary shares of Rupees 10 each of Maple Leaf Cement Factory Limited. Equity held 57.89% (2023: 56.51%).

16.2 The Company holds 250,000,000 (2023: 250,000,000) ordinary shares of Rupees 10 each of Maple Leaf Capital Limited. Equity held 82.92% (2023: 82.92%).

17. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections.

	Note	2024	2023
		(Rupees in thousand)	
18. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	18.1	969,984	986,044
Spare parts and loose tools		94,546	89,846
		1,064,530	1,075,890
Less: Provision against slow moving stores, spare parts and loose tools	18.2	(11,289)	(6,566)
		1,053,241	1,069,324

18.1 This includes stores in transit of Rupees 0.859 million (2023: Rupees 0.16 million).

	Note	2024	2023
		(Rupees in thousand)	
18.2 Provision against slow moving stores and spares			
As at 01 July		6,566	3,772
Add: Provision for the year	30	4,723	2,794
As at 30 June		11,289	6,566
19. STOCK-IN-TRADE			
Raw materials	19.1&19.2	2,568,563	4,172,047
Work-in-process		1,788,297	1,371,247
Finished goods	19.3	2,529,476	3,324,284
		6,886,336	8,867,578
Less: Provision against obsolete stock in trade		(3,904)	(3,904)
		6,882,432	8,863,674

19.1 Raw materials include stock in transit of Rupees 104.578 million (2023: Rupees 85.971 million). Further, raw materials of Rupees 361.801 million (2023: Rupees 20.772 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 4.501 million (2023: Rupees 0.619 million).

19.2 Raw materials include stock amounting to Rupees 45.449 million (2023: Rupees 3.228 million) with external parties for processing.

19.3 Finished goods include stock in transit of Rupees 242.384 million (2023: Rupees 169.372 million). Further, finished goods of Rupees 519.040 million (2023: Rupees 432.802 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 19.150 million (2023: Rupees 28.737 million).

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)

20. TRADE DEBTS

	Note	2024	2023
Considered good:			
Secured (against letters of credit)		2,101,162	2,481,959
Unsecured		4,380,832	2,102,243
		6,481,994	4,584,202
Less: Allowance for expected credit losses	20.2	(44,402)	(153,319)
		6,437,592	4,430,883

20.1 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

20.2 Allowance for expected credit losses

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Opening balance		153,319	125,041
(Reversal) / recognized during the year	31	(108,361)	41,369
Trade debts written off during the year		(556)	(13,091)
Balance at end of year		44,402	153,319

20.3 As at 30 June 2024, trade debts of Rupees 3,750.745 million (2023: Rupees 1,756.893 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Upto 1 month	2,209,354	1,233,297
1 to 6 months	1,499,095	482,715
More than 6 months but less than one year	42,296	40,881
	3,750,745	1,756,893

20.4 The majority of export debtors of the Company are situated in Asia, Europe and America.

21. ADVANCES

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Considered good:			
Advances to employees - interest free	21.1		
- Executives	21.2	8,645	2,883
- Other employees		2,075	1,943
		10,720	4,826
Advances to suppliers - unsecured and considered good		562,628	245,423
Advances against letters of credit		21,524	27,600
		594,872	277,849

21.1 These represent short term advances given to employees as per Company's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

21.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 14.481 million (2023: Rupees 6.176 million).

	Note	2024	2023
		(Rupees in thousand)	
22. SHORT TERM DEPOSITS AND PREPAYMENTS			
Short term deposits		8,678	8,681
Short term prepayments		31,296	21,680
		39,974	30,361
23. OTHER RECEIVABLES			
Considered good:			
Sales tax refundable		1,426,934	1,484,651
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		125,108	66,468
Duty draw back receivable		136,705	136,705
Receivable from Workers' profits participation fund	23.1	18,809	34,597
Due from subsidiary company - Maple Leaf Cement Factory Limited		10,365	-
Others		2,519	2,126
		1,740,066	1,744,173
23.1 Workers' profits participation fund			
Balance as on 01 July		34,597	32,435
Provision for the year	30	(54,908)	(180,530)
		(20,311)	(148,095)
Add: Payments / adjustments during the year		39,120	182,692
		18,809	34,597
24 SHORT TERM INVESTMENTS			
At amortized cost:			
Term deposit receipts:	24.1		
- JS Bank Limited		6,960	6,960
- United Bank Limited		325,000	459,694
- The Bank of Khyber		163,299	-
		495,259	466,654
Add: Accrued markup		20,082	1,213
		515,341	467,867

24.1 These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 19.00% to 20.50% (2023: 11.45% to 20.50%). These are under lien with the banks against guarantees given on behalf of the Company.

	Note	2024	2023
		(Rupees in thousand)	

25. CASH AND BANK BALANCES

	Note	2024	2023
Cash in hand		4,325	17,004
Cash at bank:			
- On current accounts	25.1 & 25.3	130,411	202,863
- On saving accounts	25.1, 25.2 & 25.3	84,315	423,608
		214,726	626,471
		219,051	643,475

25.1 The balances in current and saving accounts include USD 138,622 (2023: USD 226,729).

25.2 The balances in saving accounts carry rate of profit ranging from 6.00% to 20.55% (2023: 6.84% to 19.50%) per annum.

25.3 The balances in current and saving accounts include an amount of Rupees 35.155 million (2023: Rupees 191.488 million) held under lien against guarantees issued by the banks on behalf of the Company.

	Note	2024	2023
		(Rupees in thousand)	

26. REVENUE

	Note	2024	2023
Revenue from contracts with customers:			
- Export sales		19,278,560	13,257,868
- Local sales	26.1 & 26.5	38,764,776	28,703,696
		58,043,336	41,961,564
Export rebate		131,616	84,992
		58,174,952	42,046,556

	2024	2023
26.1 Local sales	44,898,813	33,692,338
Less: Sales tax	(6,134,037)	(4,988,642)
	38,764,776	28,703,696

26.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments (Note 40).

	Spinning		Weaving		Processing and Home Textiles		Company	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)							
Primary geographical markets								
Europe	-	-	3,166,321	2,107,104	4,185,907	3,959,339	7,352,228	6,066,443
United States of America and Canada	-	-	766,300	131,401	9,905,090	5,563,573	10,671,390	5,694,974
Asia, Africa, Australia	-	-	189,348	152,082	1,065,594	1,344,369	1,254,942	1,496,451
Pakistan	29,374,665	22,930,290	8,936,360	5,423,648	453,751	349,758	38,764,776	28,703,696
Export rebate	-	-	-	-	131,616	84,992	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	58,174,952	42,046,556
Major product / service lines								
Yarn	29,312,722	22,715,285	-	-	-	-	29,312,722	22,715,285
Greige fabric	-	-	13,026,816	7,793,880	-	-	13,026,816	7,793,880
Made-ups	-	-	-	-	14,616,700	10,539,667	14,616,700	10,539,667
Finished fabric	-	-	-	-	735,704	462,348	735,704	462,348
Processing income	-	-	-	-	206,219	184,597	206,219	184,597
Waste	61,943	215,005	31,513	20,355	51,719	30,427	145,175	265,787
Export rebate	-	-	-	-	131,616	84,992	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	58,174,952	42,046,556
Revenue from contracts with customers	29,374,665	22,930,290	13,058,329	7,814,235	15,610,342	11,217,039	58,043,336	41,961,564
Export rebate	-	-	-	-	131,616	84,992	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	58,174,952	42,046,556
Timing of revenue recognition								
Products transferred at a point in time	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	58,174,952	42,046,556
Products and services transferred over time	-	-	-	-	-	-	-	-
External revenue as reported	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	58,174,952	42,046,556

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

26.4 The amount of Rupees 296.837 million included in contract liabilities (Note 9) at 30 June 2023 has been recognized as revenue during the year (2023: Rupees 172.143 million).

26.5 These include sales of Rupees 8,440.523 million (2023: Rupees 4,789.829 million) to direct exporters against standard purchase orders (SPOs).

	Note	2024	2023
		(Rupees in thousand)	

27. COST OF SALES

	Note	2024	2023
Raw materials consumed	27.1	30,788,006	24,337,835
Salaries, wages and other benefits	27.2	4,091,239	2,920,109
Processing charges		36,868	11,503
Stores, spare parts and loose tools consumed		2,556,861	1,905,688
Packing materials consumed		1,227,241	811,974
Fuel and power		7,760,649	5,139,893
Repair and maintenance		473,689	232,495
Insurance		86,471	46,601
Other factory overheads		215,635	138,800
Depreciation	15.1.3	1,273,204	895,917
		48,509,863	36,440,815
Work-in-process			
Opening stock		1,371,247	925,168
Closing stock		(1,788,297)	(1,371,247)
		(417,050)	(446,079)
Cost of goods manufactured		48,092,813	35,994,736
Finished goods			
Opening stock		3,324,284	1,895,671
Closing stock		(2,529,476)	(3,324,284)
		794,808	(1,428,613)
Cost of sales		48,887,621	34,566,123

27.1 Raw materials consumed

	2024	2023
Opening stock	4,172,047	3,150,732
Add: Purchased during the year	29,184,522	25,359,150
	33,356,569	28,509,882
Less: Closing stock	(2,568,563)	(4,172,047)
	30,788,006	24,337,835

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 104.500 million (2023: Rupees 76.783 million) by the Company.

	Note	2024	2023
		(Rupees in thousand)	

28. DISTRIBUTION COST

	Note	2024	2023
Salaries and other benefits	28.1	167,381	139,760
Outward freight and handling		132,611	75,588
Clearing and forwarding		1,032,240	715,507
Commission to selling agents		299,886	279,619
Travelling and conveyance		36,829	26,565
Insurance		7,404	2,578
Vehicles' running		10,647	7,919
Electricity, gas and water		7,673	4,857
Postage, telephone and fax		4,543	2,917
Sales promotion and advertisement		50,893	49,193
Miscellaneous		27,810	15,415
		1,777,917	1,319,918

28.1 Salaries and other benefits include provident fund contribution of Rupees 6.635 million (2023: Rupees 5.738 million) by the Company.

	Note	2024	2023
		(Rupees in thousand)	

29. ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries and other benefits	29.1	726,153	645,962
Travelling and conveyance		63,102	41,870
Repair and maintenance		51,171	59,965
Rent, rates and taxes	29.3	15,660	8,575
Insurance		20,591	14,543
Vehicles' running		58,010	44,114
Printing, stationery and periodicals		12,885	11,280
Electricity, gas and water		37,668	24,421
Postage, telephone and fax		12,809	10,373
Legal and professional		24,101	17,405
Fee and subscription		18,459	14,515
Security, gardening and sanitation		75,689	54,967
Entertainment		11,197	9,709
Training and seminars		1,806	2,545
Depreciation	15.1.3	98,566	68,766
Miscellaneous		17,449	10,798
		1,245,316	1,039,808

29.1 Salaries and other benefits include provident fund contribution of Rupees 25.218 million (2023: Rupees 21.037 million) by the Company.

29.2 The Company has shared expenses aggregating to Rupees 38.324 million (2023: Rupees 36.489 million) on account of combined offices with the Maple Leaf Cement Factory Limited - subsidiary company. These expenses have been recorded in respective accounts.

29.3 It includes Rupees 0.174 million (2023: Rupees 0.158 million) in respect of short term leases.

	Note	2024	2023
		(Rupees in thousand)	

30. OTHER EXPENSES

	Note	2024	2023
Auditor's remuneration	30.1	4,417	3,991
Donations	30.2 & 30.3	500	1,890
Sales tax refundable written off		-	129,915
Provision for slow moving stores, spare parts and loose tools	18.2	4,723	2,794
Allowance for expected credit losses		-	41,369
Exchange loss		46,872	-
Advances to suppliers written off		256	3,484
Other receivables written off		53	-
Workers' profits participation fund	23.1	54,908	180,530
Workers' welfare fund	9.3	64,968	70,685
		176,697	434,658

30.1 Auditor's remuneration

	2024	2023
Audit fee	3,000	3,000
Reimbursable expenses	942	841
Certifications	475	150
	4,417	3,991

30.2 It represents donation amounting to Rupees 0.5 million (2023: Rupees Nil) to Government of Punjab for activities to control pest attack on cotton crops, Rupees Nil (2023: Rupees 0.89 million) to Gulab Devi Chest Hospital, Lahore and Rupees Nil (2023: Rupees 1.00 million) to flood relief activities of Government of Pakistan.

30.3 None of the directors and their spouses have any interest in the donee's fund.

	Note	2024	2023
		(Rupees in thousand)	

31. OTHER INCOME

Income from financial assets:

	Note	2024	2023
Exchange gain - net		-	184,790
Return on bank deposits		120,653	75,811
Return on term deposit receipts		65,627	55,925
Dividend income on investments carried at fair value through profit or loss		2,929	19,241
Reversal of allowance for expected credit loss	20.2	108,361	-
Long outstanding liabilities written back		11,314	13,097
		308,884	348,864

Income from non-financial assets:

	Note	2024	2023
Scrap sales		119,145	88,430
Gain on disposal of operating fixed assets	15.1.2	27,297	7,557
		146,442	95,987
		455,326	444,851

	2024	2023
	(Rupees in thousand)	

32. FINANCE COST

	2024	2023
Mark-up / finance charges / interest on:		
Long term financing	1,032,718	555,282
Short term borrowings from banking companies	2,203,160	1,048,806
Unwinding of discount on GIDC payable	-	175
	3,235,878	1,604,263
Bank charges and commission	123,467	63,045
	3,359,345	1,667,308

33. LEVY

	2024	2023
Final taxes	192,756	137,313

33.1 The provision of levy represents final taxes levied under section 154 & 150 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

34. TAXATION

	Note	2024	2023
		(Rupees in thousand)	
Current tax:			
- Current year		575,899	559,889
- Prior year		(35,674)	(283,365)
		540,225	276,524
Deferred tax	8.2	251,239	642,493
	34.1	791,464	919,017

34.1 The provision for current tax represents corporate tax on local sales and super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001. Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable rate is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Accounting Profit before taxation and levy		3,183,382	3,463,592
Applicable tax rate		29%	29%
Tax on accounting profit		923,181	1,004,442
Effect of lower rate on income from exports and dividend		(97,552)	(207,942)
Effect of change in prior year's tax		(35,674)	(283,365)
Effect of alternate corporate tax		-	23,365
Effect of (income) / expenses that are not considered in determining tax liability		129,943	193,193
Effect of super tax		89,850	173,470
Effect of rate change on deferred tax		-	156,467
Others		(25,528)	(3,300)
Current tax liability and levy as per applicable tax laws		984,220	1,056,330
Levy - final taxes		(192,756)	(137,313)
Current tax	34	(791,464)	(919,017)
		-	-

35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

			2024	2023
Profit attributable to ordinary shares	RUPEES IN THOUSAND		2,199,162	2,407,262
Weighted average number of ordinary shares	NUMBERS	35.1	272,618,385	298,923,616
Earnings per share	RUPEES		8.07	8.05

35.1 Weighted average number of ordinary shares

		2024	2023
Outstanding number of shares before buy back	NUMBERS	293,310,900	299,296,456
Less: Impact of own shares purchased	NUMBERS	(20,692,515)	(372,840)
		272,618,385	298,923,616

36. CASH GENERATED FROM OPERATIONS

	Note	2024 (Rupees in thousand)	2023
Profit before levy and taxation		3,183,382	3,463,592
Adjustment for non-cash charges and other items:			
Depreciation	15.1	1,371,770	964,683
Finance cost	32	3,359,345	1,667,308
Gain on disposal of operating fixed assets	31	(27,297)	(7,557)
Return on term deposit receipts	31	(65,627)	(55,925)
Return on bank deposits	31	(120,653)	(75,811)
Dividend income	31	(2,929)	(19,241)
(Reversal) / provision of allowance for expected credit loss	20.2	(108,361)	41,369
Sales tax refundable written off		-	129,915
Provision for slow moving stores, spare parts and loose tools	30	4,723	2,794
Other receivables written off	30	53	-
Advances to suppliers written off	30	256	3,484
Long outstanding liabilities written back	31	(11,314)	(13,097)
Provision for Workers' profits participation fund	30	54,908	180,530
Provision for Workers' welfare fund	30	64,968	70,685
Working capital changes	36.1	515,641	(2,118,875)
		8,218,865	4,233,854

36.1 Working capital changes

	2024	2023
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	11,360	(86,295)
Stock-in-trade	1,981,242	(2,896,007)
Trade debts	(1,898,348)	(58,264)
Advances	(317,279)	419,523
Short term deposits and prepayments	(9,613)	5,536
Other receivables	4,054	(875,306)
	(228,584)	(3,490,813)
Increase in trade and other payables	744,225	1,371,938
	515,641	(2,118,875)

36.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Own share purchased for cancellation	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------				
Balance as at 01 July 2023	7,432,812	6,894,851	(312,153)	32,264	14,047,774
Proceeds from long term financing	1,115,127	-	-	-	1,115,127
Repayment of long term financing	(1,491,947)	-	-	-	(1,491,947)
Own shares purchased for cancellation	-	-	(1,463,096)	-	(1,463,096)
Short term borrowings - net	-	608,725	-	-	608,725
Dividend paid	-	-	-	(721)	(721)
Other charges - non-cash movement	3,958	-	-	-	3,958
Balance as at 30 June 2024	7,059,950	7,503,576	(1,775,249)	31,543	12,819,820

	2023				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Own share purchased for cancellation	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------				
Balance as at 01 July 2022	5,164,912	5,234,795	-	32,634	10,432,341
Proceeds from long term financing	3,093,962	-	-	-	3,093,962
Repayment of long term financing	(835,089)	-	-	-	(835,089)
Own shares purchased for cancellation	-	-	(312,153)	-	(312,153)
Short term borrowings - net	-	1,660,056	-	-	1,660,056
Dividend paid	-	-	-	(370)	(370)
Other charges - non-cash movement	9,027	-	-	-	9,027
Balance as at 30 June 2023	7,432,812	6,894,851	(312,153)	32,264	14,047,774

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Chief Executive Officer		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	-----------------(Rupees in Thousand)----------------					
Managerial remuneration	76,050	49,560	72,386	49,798	227,974	187,357
Allowances						
House rent	7,605	4,955	6,389	2,780	48,331	38,146
Conveyance	-	-	-	-	144	126
Medical	7,605	4,955	7,238	4,980	22,340	17,852
Utilities	6,728	6,652	5,713	3,730	54,043	38,512
Special allowance	19,012	16,060	18,739	17,644	61,886	49,351
Bonus	-	76,923	-	-	-	-
Contribution to provident fund	6,335	4,128	6,030	4,148	18,886	15,112
	123,335	163,233	116,495	83,080	433,604	346,456
Number of persons	1	1	2	2	88	72

37.1 Chief Executive Officer and Directors are provided with the Company's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use. Chief Executive Officer is also provided with free furnished accommodation along with utilities.

37.2 Executives are provided with the Company's maintained vehicles in accordance with the Company's policy.

37.3 The aggregate amount charged in these financial statements in respect of directors' meeting fee paid to 2 (2023: 3) non-executive directors was Rupees 629,216 (2023: Rupees 519,442).

37.4 No remuneration was paid to non-executive directors of the Company.

38. TRANSACTIONS WITH RELATED PARTIES

38.1 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 financial statements are as follows:

	2024	2023
	(Rupees in thousand)	
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	14,326	2,142
Sale of property, plant and equipment	-	6,022
Expenses paid by Maple Leaf Cement Factory Limited on behalf of the Company	2,468	2,082
Common expenses	38,324	36,489
Maple Leaf Capital Limited		
Expenses on behalf of the Maple Leaf Capital Limited	7,745	5,211
Payment received against expenses	7,745	6,584
Payment received against markup on funds transferred	-	1,235
Hutton Properties Limited		
Expenses on behalf of the Hutton Properties Limited	18,653	-
Payment received against expenses	18,653	-
Post employment benefit plan		
Contribution to provident fund	136,353	103,558
Other related parties		
Sale of property, plant and equipment	-	1,974

38.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company name	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Aggregate % of shareholding
		2024	2023	
Maple Leaf Capital Limited	Subsidiary	Yes	Yes	82.92%
Maple Leaf Cement Factory Limited	Subsidiary	Yes	Yes	57.89%
Maple Leaf Power Limited	Sub-subsidiary	No	No	57.89%
Novacare Hospitals (Private) Limited	Sub-subsidiary	No	No	57.89%

38.3 The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2023: 73,390,896) and 55,256,992 [20.52%] (2023: 55,256,992) ordinary shares respectively of the Company.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2024	2023
SPINNING:		
- Rawalpindi Division	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	46,141	46,646
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	41,876	42,461
	(NUMBERS)	
Open-end Rotors (average) installed / worked	3,648	2,712
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	7,972	5,926
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	6,889	5,196
	(NUMBERS)	
MVS Spindles (average) installed / worked	768	384
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095)	6,379	3,518
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,095)	5,812	3,229
- Gujar Khan Division	(NUMBERS)	
Ring Spindles (average) installed / worked	94,464	94,464
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	54,062	51,402
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	48,580	45,944
WEAVING:		
- Raiwind Division	(NUMBERS)	
Looms installed / worked	384	384

	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	166,509	135,806
Actual production converted to 60 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	147,026	121,667

PROCESSING OF CLOTH:

- Rawalpindi Division	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	42,090	41,975
Actual production at 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	17,700	14,651

STITCHING

The plant capacity of this division is indeterminable due to multi-product plant involving varying processes of manufacturing and run length of order lots.

POWER PLANT:

- Rawalpindi Division	(MEGA WATTS)	
Annual rated capacity based on 366 days (2023: 365 days)	270,407	260,908
Actual generation		
Furnace engines	21,107	36,062
Gas engines	35,331	22,772
Solar	12,127	6,674
- Raiwind Division		
Annual rated capacity based on 366 days (2023: 365 days)	122,219	96,360
Actual generation		
Furnace engines	8,604	4,021
Gas engines	23,711	4,818
Solar	6,485	1,313
- Gujar Khan Division		
Annual rated capacity based on 366 days (2023: 365 days)	174,881	164,825
Actual generation		
Gas engines	12,931	4,140
Diesel engines	275	299
Solar	12,287	11,104

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality.
- Cloth processing units working capacity was limited to actual export / local orders in hand.
- The generation of power was limited to actual demand.

40. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textiles		Elimination of inter-segment transactions		Company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)									
REVENUE:										
EXTERNAL	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	-	-	58,174,952	42,046,556
INTER-SEGMENT	2,388,787	733,419	2,220,199	1,830,162	11,199	7,568	(4,620,185)	(2,571,149)	-	-
	31,763,452	23,663,709	15,278,528	9,644,397	15,753,157	11,309,599	(4,620,185)	(2,571,149)	58,174,952	42,046,556
COST OF SALES	(27,211,579)	(20,207,836)	(14,189,748)	(9,004,066)	(12,106,479)	(7,925,370)	4,620,185	2,571,149	(48,887,621)	(34,566,123)
GROSS PROFIT	4,551,873	3,455,873	1,088,780	640,331	3,646,678	3,384,229	-	-	9,287,331	7,480,433
DISTRIBUTION COST	(107,567)	(79,101)	(244,850)	(160,422)	(1,425,500)	(1,080,395)	-	-	(1,777,917)	(1,319,918)
ADMINISTRATIVE EXPENSES	(605,991)	(524,209)	(266,521)	(219,072)	(372,804)	(296,527)	-	-	(1,245,316)	(1,039,808)
	(713,558)	(603,310)	(511,371)	(379,494)	(1,798,304)	(1,376,922)	-	-	(3,023,233)	(2,359,726)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,838,315	2,852,563	577,409	260,837	1,848,374	2,007,307	-	-	6,264,098	5,120,707
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(176,697)	(434,658)
OTHER INCOME									455,326	444,851
FINANCE COST									(3,359,345)	(1,667,308)
LEVIES									(192,756)	(137,313)
TAXATION									(791,464)	(919,017)
									(4,064,936)	(2,713,445)
PROFIT AFTER TAXATION									2,199,162	2,407,262

40.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)							
TOTAL ASSETS FOR REPORTABLE SEGMENT	14,617,772	14,947,908	11,021,058	9,321,904	15,136,040	12,503,074	40,774,870	36,772,886
UNALLOCATED ASSETS							11,078,733	11,113,332
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION							51,853,603	47,886,218

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

TOTAL LIABILITIES FOR REPORTABLE SEGMENT	3,048,084	4,647,325	3,061,701	3,796,493	9,341,422	7,213,137	15,451,207	15,656,955
UNALLOCATED LIABILITIES							7,169,840	5,834,466
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION							22,621,047	21,491,421

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

40.2 Geographical Information

40.2.1 The Company's revenue from external customers by geographical location is detailed in Note 26.2 to the financial statements.

40.2.2 All non-current assets as at reporting date are located and operated in Pakistan.

40.3 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the segment's revenue in Weaving segment was Rupees 3,634 million (2023: Rupees 3,116 million) whereas in the Processing and Home Textile segment was Rupees 7,651 million (2023: Rupees 5,169 million).

40.4 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

41. PROVIDENT FUND

As at the reporting date, all investments out of provident fund have been made in accordance with the section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by the Securities and Exchange Commission of Pakistan.

42. NUMBER OF EMPLOYEES

	2024	2023
Number of employees as at 30 June	6,462	5,982
Average number of employees during the year	6,230	5,780

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2024	2023
Cash at banks - USD	138,622	226,729
Trade debts - USD	6,462,033	5,879,854
Trade and other payables - USD	-	3,141
Net exposure - USD	6,600,655	6,103,442
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	283.33	250.44
Reporting date rate	278.30	286.60

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 86.356 million (2023: Rupees 82.247 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at 30 June 2024 the Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings and bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024	2023
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Investments - Term deposit receipts	515,341	467,867
Financial liabilities		
Long term financing	3,421,020	4,291,668
Short term borrowings	4,503,931	4,278,931
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	84,315	423,608
Financial liabilities		
Long term financing	3,638,930	3,141,144
Short term borrowings	2,949,158	2,613,185

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 36.092 million (2023: Rupees 33.954 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	(Rupees in thousand)	
Trade debts	6,437,592	4,430,883
Investments	515,341	467,867
Deposits	123,431	70,309
Advances	10,720	4,826
Other receivables	12,884	2,126
Bank balances	214,726	626,471
	7,314,694	5,602,482

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	18,369	16,637
Allied Bank Limited	A1+	AAA	PACRA	10,729	55,693
Askari Bank Limited	A1+	AA+	PACRA	1,445	1,455
Bank Alfalah Limited	A1+	AAA	PACRA	24,558	1,221
Bank Al-Habib Limited	A1+	AAA	PACRA	319	69,093
Bank Islami Pakistan Limited	A1	AA-	PACRA	31	31
Faysal Bank Limited	A1+	AA	PACRA	79	79
Habib Bank Limited	A-1+	AAA	JCR-VIS	28,418	109,874
MCB Bank Limited	A1+	AAA	PACRA	14,373	29,895
Meezan Bank Limited	A-1+	AAA	JCR-VIS	19,435	58,240
National Bank of Pakistan	A1+	AAA	PACRA	26,589	21,354
MCB Islamic Bank Limited	A1	A+	PACRA	12,553	12,958
Silkbank Limited	A-2	A-	JCR-VIS	48	48
The Bank of Punjab	A1+	AA+	PACRA	35,539	75,055
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,003	2,056
Samba Bank Limited	A1	AA	PACRA	1,258	348
JS Bank Limited	A1+	AA	PACRA	2,486	-
The Bank of Khyber	A-1	A+	JCR-VIS	10,454	159,085
United Bank Limited	A-1+	AAA	JCR-VIS	6,040	13,349
				214,726	626,471
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	344,842	460,753
The Bank of Khyber - term deposit receipts	A-1	A+	JCR-VIS	163,474	-
JS Bank Limited - term deposit receipt	A1+	AA	PACRA	7,025	7,114
				515,341	467,867

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 20.2.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

At 30 June 2024

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	658,854	-	0.00%	-	-
Up to 30 days	0.84%	1,230,318	10,289	0.00%	-	-
31 to 60 days	0.96%	524,445	5,035	0.00%	-	-
61 to 90 days	3.29%	133,022	4,379	0.00%	-	-
91 to 180 days	14.15%	75,851	10,736	0.00%	-	-
181 to 360 days	31.31%	41,764	13,078	0.00%	-	-
Above 360 days	100.00%	885	885	0.00%	-	-
		2,665,139	44,402		-	-
Trade debts which are not subject to risk of default		2,047,885	-		1,768,970	-
		4,713,024	44,402		1,768,970	-

At 30 June 2023

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	347,126	-	0.00%	-	-
Up to 30 days	13.28%	837,515	111,260	0.00%	-	-
31 to 60 days	13.28%	132,176	17,559	0.00%	-	-
61 to 90 days	24.56%	49,082	12,056	0.00%	-	-
91 to 180 days	44.37%	1,279	567	0.00%	-	-
181 to 360 days	48.15%	22,289	10,732	0.00%	-	-
Above 360 days	100.00%	1,145	1,145	0.00%	-	-
		1,390,612	153,319		-	-
Trade debts which are not subject to risk of default		1,654,245	-		1,539,345	-
		3,044,857	153,319		1,539,345	-

Deposits and advances

The Company has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables. Management has assessed that there is no impairment loss in respect of these financial assets of the Company and these are recoverable in full.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Company had Rupees 12,365 million (2023: Rupees 10,439 million) available borrowing limits from financial institutions and Rupees 219.051 million (2023: Rupees 643.475 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	------------------ (Rupees in thousand) ------------------					
Non-derivative financial liabilities:						
Long term financing	7,059,950	10,813,567	1,631,362	1,074,981	2,056,875	6,050,349
Trade and other payables	3,604,569	3,604,569	3,604,569	-	-	-
Accrued mark-up	565,079	565,079	565,079	-	-	-
Short term borrowings	7,503,576	8,122,292	8,122,292	-	-	-
Unclaimed dividend	31,543	31,543	31,543	-	-	-
	18,764,717	23,137,050	13,954,845	1,074,981	2,056,875	6,050,349

Contractual maturities of financial liabilities as at 30 June 2023.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	------------------ (Rupees in thousand) ------------------					
Non-derivative financial liabilities:						
Long term financing	7,432,812	11,194,787	963,161	938,050	1,929,981	7,363,595
Trade and other payables	2,843,000	2,843,000	2,843,000	-	-	-
Accrued mark-up	483,829	483,829	483,829	-	-	-
Short term borrowings	6,894,851	7,392,785	7,392,785	-	-	-
Unclaimed dividend	32,264	32,264	32,264	-	-	-
	17,686,756	21,946,665	11,715,039	938,050	1,929,981	7,363,595

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June 2024. The rates of interest / mark-up have been disclosed in note 6.1 and note 11 to these financial statements.

43.2 Financial instruments by categories

	2024	2023
	Amortized cost	
	(Rupees in thousand)	
Financial assets		
Trade debts	6,437,592	4,430,883
Investments	515,341	467,867
Deposits	123,431	70,309
Advances	10,720	4,826
Other receivables	12,884	2,126
Cash and bank balances	219,051	643,475
	7,319,019	5,619,486

	Financial liabilities at amortized cost	
	2024	2023
	(Rupees in thousand)	
Long term financing	7,059,950	7,432,812
Trade and other payables	3,604,569	2,843,000
Accrued mark-up	565,079	483,829
Short term borrowings	7,503,576	6,894,851
Unclaimed dividend	31,543	32,264
	18,764,717	17,686,756

43.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2024			2023		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Assets as per statement of financial position						
Trade debts	6,437,592	-	6,437,592	4,430,883	-	4,430,883
Investments	515,341	11,078,733	11,594,074	467,867	11,078,733	11,546,600
Deposits and prepayments	123,431	31,296	154,727	70,309	21,680	91,989
Advances	10,720	584,152	594,872	4,826	273,023	277,849
Other receivables	12,884	1,727,182	1,740,066	2,126	1,742,047	1,744,173
Cash and bank balances	219,051	-	219,051	643,475	-	643,475
	7,319,019	13,421,363	20,740,382	5,619,486	13,115,483	18,734,969

	2024			2023		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Liabilities as per statement of financial position						
Long term financing	7,059,950	-	7,059,950	7,432,812	-	7,432,812
Trade and other payables	3,604,569	1,829,789	5,434,358	2,843,000	1,798,433	4,641,433
Accrued mark-up	565,079	-	565,079	483,829	-	483,829
Short term borrowings	7,503,576	-	7,503,576	6,894,851	-	6,894,851
Unclaimed dividend	31,543	-	31,543	32,264	-	32,264
	18,764,717	1,829,789	20,594,506	17,686,756	1,798,433	19,485,189

43.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

43.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represents long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 11 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remain unchanged from the last year.

	2024	2023
	(Rupees in thousand)	
Borrowings	14,526,481	14,342,328
Total equity	29,232,556	26,394,797
Total capital employed	43,759,037	40,737,125
Gearing ratio	33.20%	35.21%

The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

44. 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 trading 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 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.

45. 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 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 June 2024	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	-	6,669,315

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 year. Further, there was no transfer in and out of level 3 measurements.

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

The Company obtains independent valuations for 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 2024, 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.

46. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2024	2023
		(Rupees in thousand)	
Loans / advances obtained as per Islamic mode:			
Loans	11	414,000	300,000
Contract liabilities	9	229,807	333,800
Accrued mark-up on conventional loans	10	543,957	474,096
Shariah compliant bank deposits, bank balances and Term deposit receipts:			
Bank balances	25	85,479	249,627
Term deposit receipts	24	163,474	-
Profit earned from shariah compliant bank deposits / bank balances	31	40,651	13,540
Exchange gain earned	31	-	184,790
Revenue earned from shariah compliant business	26	58,174,952	42,046,556
Profits earned or interest paid on any conventional loan / advance:			
Profit paid on islamic mode of financing		74,289	23,281
Profit earned on deposits with banks	31	80,002	62,271
Return on term deposit receipts	31	65,627	55,925
Interest on loans	32	3,235,878	1,604,088

Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Alfalah Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance
The Bank of Khyber	Bank balance and Financing

47. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	2024	2023
	------- (Rupees in thousand) ------			
Total facilities	5,740,704	4,491,884	26,891,397	24,780,836
Utilized at the end of the year	2,617,258	2,480,770	14,526,481	14,342,328
Unutilized at the end of the year	3,123,446	2,011,114	12,364,916	10,438,508

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 11 September 2024 by the Board of Directors of the Company.

49. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. Except for the reclassification as disclosed in note 2.2 to the financial statements, no significant rearrangements / reclassification have been made.

50. GENERAL

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

THE COMPANIES ACT, 2017
THE COMPANIES REGULATIONS, 2024
[Section 227(2)(f) and Regulation 30]

FORM-20

PATTERN OF SHAREHOLDING

KOHINOOR TEXTILE MILLS LTD

1. CUIN (Incorporation Number)	0002805
1.1 Name of the Company	KOHINOOR TEXTILE MILLS LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	30.06.2024

2.2

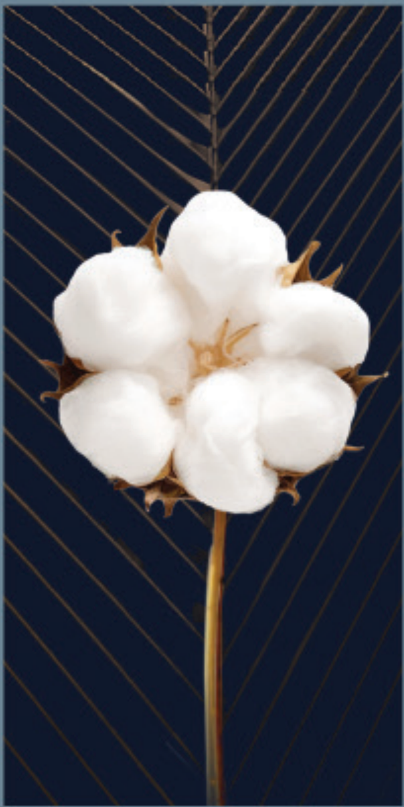
No. of Shareholders	Shareholdings From		Shareholdings To	Total Shares Held
2619	1	-	100	69,151
894	101	-	500	246,089
317	501	-	1000	218,371
389	1001	-	5000	983,936
81	5001	-	10000	553,351
28	10001	-	15000	348,802
13	15001	-	20000	226,530
10	20001	-	25000	228,541
6	25001	-	30000	162,989
4	30001	-	35000	130,874
5	35001	-	40000	191,482
1	40001	-	45000	41,441
2	45001	-	50000	96,386
3	50001	-	55000	155,897
5	55001	-	60000	290,362
5	60001	-	65000	315,150
3	65001	-	70000	203,738
3	70001	-	75000	214,723
2	80001	-	85000	169,000
2	85001	-	90000	177,800
3	90001	-	95000	280,218
1	95001	-	100000	98,790
4	100001	-	105000	411,365
1	130001	-	135000	132,464
1	140001	-	145000	142,500
1	145001	-	150000	148,351
1	160001	-	165000	161,269
1	170001	-	175000	175,000
1	185001	-	190000	185,025
2	195001	-	200000	400,000
1	205001	-	210000	207,500
1	235001	-	240000	238,019
1	245001	-	250000	249,065
1	260001	-	265000	263,094
1	315001	-	320000	316,743
1	330001	-	335000	331,241
2	335001	-	340000	674,055
1	385001	-	390000	385,016
1	480001	-	485000	485,000
1	495001	-	500000	500,000
1	550001	-	555000	552,227
2	595001	-	600000	1,198,063
1	940001	-	945000	943,843
1	1000001	-	1005000	1,000,244

2.2 No. of Shareholders	Shareholdings From		To	Total Shares Held
1	1150001	-	1155000	1,150,893
1	1175001	-	1180000	1,177,500
1	1680001	-	1685000	1,682,990
1	1740001	-	1745000	1,741,904
1	1955001	-	1960000	1,956,210
1	7120001	-	7125000	7,124,194
1	9150001	-	9155000	9,154,990
2	12645001	-	12650000	12,688,822
1	13300001	-	13305000	13,302,658
1	31535001	-	31540000	31,539,643
1	44625001	-	44630000	44,628,059
1	55255001	-	55260000	55,256,992
1	73390001	-	73395000	73,390,896
4,438	Total			269,299,456

Note: The Slabs not applicable above have not been shown.

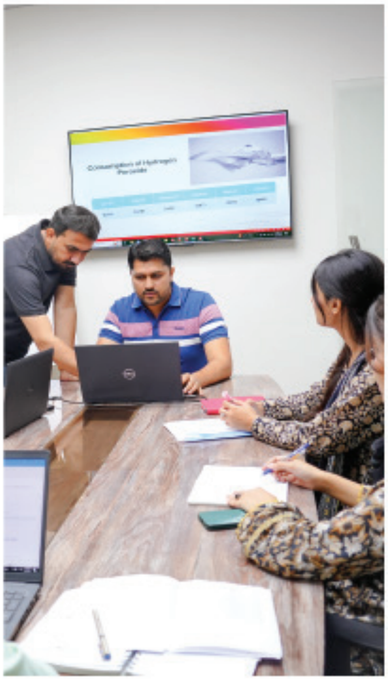
2.3	Categories of Shareholders	Shares Held	Percentage
2.3.1	**Directors, Chief Executive Officer and their spouses and minor children.**		
	Mr. Tariq Sayeed Saigol, Chairman	12,688,822	4.712
	Mr. Taufique Sayeed Saigol, Chief Executive Officer	44,628,059	16.572
	Mr. Sayeed Tariq Saigol	385,016	0.143
	Mr. Waleed Tariq Saigol	33,471	0.012
	Mr. Danial Taufique Saigol	3,046	0.001
	Ms. Jahanara Saigol	2,500	0.001
	Syed Muhammad Shabbar Zaidi	2,500	0.001
	Mr. Zulifikar Monnoo	3,000	0.001
	Mrs. Shehla Tariq Saigol, Spouse of Mr. Tariq Sayeed Saigol	31,539,643	11.712
		89,286,057	33.155
2.3.2	**Associated Companies, undertakings and related parties.**		
	Mercury Management Inc.	73,390,896	27.253
	Hutton Properties Limited	55,256,992	20.519
		128,647,888	47.772
2.3.3	**NIT and IDBP**		
	National Bank of Pakistan, Trustee Deptt.	10,583	0.004
	Industrial Development Bank of Pakistan (IDBP)	13,914	0.005
		24,497	0.009
2.3.4	**Banks, Development Financial Institutions, Non-Banking Financial Institutions.**	**2,071,586**	**0.769**
2.3.5	**Insurance Companies**	**1,014**	**0.000**
2.3.6	**Modarabas and Mutual Funds**	**16,875,480**	**6.266**
2.3.7	**Shareholders holding 10% refer to 2.3.1 & 2.3.2**		
2.3.8	**General Public**		
	a) Local	30,682,218	11.393
	b) Foreign	90,000	0.033
2.3.9	**Others**		
	Artal Restaurant Int Limited Employees Provident Fund	2,073	
	Fikree Development Corp. (Pvt.) Limited	50	
	Hussain Trustees Limited	297	
	Official Assignee of Karachi	3,940	
	The Deputy Administrator. Abandoned Properties	193	
	The Ida Rieu Poor Welfare Association	405	
	The Okhai Memon Madressah Association	1	
	United Executers & Trustee Company Limited	164	
	University of Sindh	680	
	Wellcome Pakistan Limited Provident Fund	103,392	
	Abbott Laboratories (Pakistan) Limited Staff Pension Fund	67,321	
	Abbott Laboratories (Pakistan) Limited Staff Provident Fund	16,009	
	AGP Limited Staff Provident Fund	26,500	
	Agriauto Industries Limited Employees Provident Fund	7,600	
	Bristol-Myers Squibb Pak (Pvt) Ltd Employees Provident Fund	7,700	
	BYCO Petroleum Pakistan Limited Employees Provident Fund	8,197	

2.3	Categories of Shareholders	Shares Held	Percentage
2.3.9	Others		
	CDC - Trustee AGIPF Equity Sub-Fund	7,500	
	CDC - Trustee AGPF Equity Sub-Fund	5,500	
	CDC - Trustee Nafa Islamic Pension Fund Equity Account	336,382	
	CDC - Trustee Nafa Pension Fund Equity Sub-Fund Account	331,241	
	Engro Corp Ltd MPT Employees Def CONTR Pension Fund	10,496	
	Engro Fertilizers Limited Non-MPT Employees Gratuity Fund	8,800	
	Engro Foods Limited Employees Gratuity Fund	23,000	
	Federal Board of Revenue	161,269	
	Pakistan Stock Exchange Limited	70,178	
	The Crescent Textile Mills Ltd Employees Provident Fund	9,000	
	Trustee National Bank of Pakistan Emp Benevolent Fund Trust	11,848	
	Trustee National Bank of Pakistan Employees' Pension Fund	337,673	
	Trustees The Crescent Textile Mills Emp Provident Fund Trust	3,307	
	Trustee-The KOT Addu Power Co. Limited. Employees' Pension Fund	60,000	
		1,620,716	0.603
	Grand Total	**269,299,456**	**100.000**




13 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024


CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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KOHINOOR
TEXTILE MILLS LTD.

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the consolidated financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (58.85%), Maple Leaf Power Limited (58.85%), Maple Leaf Industries Limited (58.85%), Novacare Hospitals (Private) Limited (58.61%) and Maple Leaf Capital Limited (82.92%) (Together referred to as Group) for the year ended 30 June 2024.

GROUP RESULTS

The Group has earned gross profit of Rupees 32,482 million as compared to Rupees 27,549 million of corresponding year. The Group has earned pre-tax profit of Rupees 22,240 million this year as compared to Rupees 15,396 million during the previous year.

The overall group financial results are as follows:

	2024	2023
	(Rupees in million)	
Revenue	124,613	104,120
Gross profit	32,482	27,549
Profit from operations	30,325	19,860
Financial charges	7,674	4,301
Net profit after taxation	15,476	9,189
	------------- (Rupees) -------------	
Earnings per share - Basic and diluted	41.72	21.55

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 7.05% in its sales over previous year and has earned gross profit of 31.55% (30 June 2023: 29.28%) amounting to Rupees 20,964 million (30 June 2023: Rupees 18,173 million).

It has earned after tax profit of Rupees 5,273 million (30 June 2023: Rupees 4,492 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 1,765 million (30 June 2023: Rupees 1,288 million).

Maple Leaf Industries Limited (MLIL)

MLIL has incurred after tax loss of Rupees 1.67 million (30 June 2023: Rupees 1.6 million). MLIL was incorporated in Pakistan on 21 September 2022 as a public company limited by shares under the Companies Act, 2017 to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the company as at 31 March 2024.

Novacare Hospitals (Private) Limited

Novacare Hospitals (Private) Limited has incurred after tax loss of Rupees 113 million (30 June 2023: Rupees 1 million).

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 5,972 million (30 June 2023: Rupees 577 million).

In compliance with the Companies Act, 2017, all relevant matters of Section 227 have been placed in our Standalone Directors' Report to the shareholders.

ACKNOWLEDGMENT

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

For and on behalf of the Board

Lahore
11 September 2024

Taufique Sayeed Saigol
Chief Executive Officer

Syed Mohsin Raza Naqvi
Director

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Textile Mills Limited

Opinion

We have audited the annexed consolidated financial statements of Kohinoor Textile Mills Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A member of Nexia International

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	**Investments in quoted securities** Quoted investments of the investment business of the Group as at 30 June 2024 represented a material position in the consolidated statement of financial position. Due to the requirements of applicable accounting and reporting standards relating to classification, measurement and disclosures of investments, it is considered to be the area which had the significant effect on our overall audit strategy and allocation of resources in planning and completing our audit. Further, the value of the quoted investments is a significant input to confirm the amount of unrealised gain / (loss) on remeasurement of investments recognized in the consolidated statement of profit or loss. For further information, refer to the following: - Material accounting policy information, Investment and other financial assets note 2.6 to the financial statements. - Short term investments note 31 to the consolidated financial statements.	Our procedures over the existence, completeness and valuation of the Company's portfolio of quoted investments included, but were not limited to: • Documenting and assessing the processes and controls in place to record investment transactions and to value the portfolio; • Agreeing the valuation of all of quoted investments from prices quoted on the Pakistan Stock Exchange Limited and redemption price in case of open-end mutual funds; • Agreeing holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and Statement of Account, in case of open-end mutual funds; • Verifying the accuracy of management's judgement used in classification of investments; and • Assuring the completeness and accuracy of gains / (losses) recognized in the consolidated statement of profit or loss of quoted investments;

Sr. No.	Key audit matters	How the matters were addressed in our audit
2	**Inventory existence and valuation** Inventory of the textile business of the Group as at 30 June 2024 represented a material position in the consolidated statement of financial position. Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, inventories note 2.11 to the consolidated financial statements. - Stores, spare parts and loose tools note 25 and Stock-in-trade note 26 to the consolidated financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice; • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory; • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; and • We also made enquiries to the management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required

3	**Revenue recognition** Revenue of the textile business of the Group for the year ended 30 June 2024 represented a significant portion in the consolidated statement of profit or loss. We identified recognition of revenue of the textile business as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.16 to the consolidated financial statements. - Revenue note 33 to the consolidated financial statements.	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and • Considering the appropriateness of disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmad.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

DATE: 25 September 2024

UDIN: AR2024107773ZrhTq7aE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (2023: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (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	4	2,692,994	2,992,964
Reserves	5		
Capital reserves			
Share premium		986,077	986,077
Reserve against capacity expansion		26,769,600	-
Reserve against buy-back of shares		2,363,480	-
Reserve against long term investments		2,942,400	-
Own shares purchased for cancellation		-	(312,153)
Fair value reserve		606,751	125,792
Surplus on revaluation of freehold land		6,196,423	4,060,380
		39,864,731	4,860,096
Revenue reserves			
General reserve		-	1,450,491
Unappropriated profit		14,651,798	35,671,941
		14,651,798	37,122,432
		54,516,529	41,982,528
Equity attributable to equity holders of the Holding Company		57,209,523	44,975,492
Non-controlling interest	6	24,571,224	20,802,664
Total equity		81,780,747	65,778,156
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	15,606,275	21,641,692
Deferred government grants	8	460,457	619,367
Liability against right of use assets	9	50,880	31,407
Long term deposits	10	8,214	8,214
Retirement benefits	11	328,528	278,493
Retention money payable	12	-	1,752,988
Deferred income tax liability	13	14,306,062	9,263,735
		30,760,416	33,595,896
CURRENT LIABILITIES			
Trade and other payables	14	18,543,921	16,386,077
Accrued mark-up	15	1,383,938	1,348,355
Short term borrowings	16	12,942,510	9,015,010
Current portion of non-current liabilities	17	4,837,900	3,817,840
Unclaimed dividend		58,798	59,642
Provision for taxation and levy - net	18	431,771	539,655
		38,198,838	31,166,579
TOTAL LIABILITIES		68,959,254	64,762,475
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		150,740,001	130,540,631

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	89,735,324	83,545,648
Intangibles	21	84,811	6,947
Long term loans to employees	22	31,228	18,089
Long term investments	23	370,726	350,609
Long term deposits	24	181,388	120,029
		90,403,477	84,041,322
CURRENT ASSETS			
Stores, spare parts and loose tools	25	13,889,651	11,531,687
Stock-in-trade	26	10,059,120	12,677,833
Trade debts	27	10,687,943	7,031,871
Loans and advances	28	1,088,659	1,178,308
Security deposits and short term prepayments	29	1,047,894	535,471
Other receivables	30	2,121,785	1,859,582
Short term investments	31	19,792,467	10,087,503
Cash and bank balances	32	1,649,005	1,597,054
		60,336,524	46,499,309
TOTAL ASSETS		150,740,001	130,540,631

CHIEF EXECUTIVE OFFICER　　DIRECTOR　　CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
REVENUE	33	124,612,974	104,119,672
COST OF SALES	34	(92,131,411)	(76,570,398)
GROSS PROFIT		32,481,563	27,549,274
DISTRIBUTION COST	35	(7,249,725)	(5,071,015)
ADMINISTRATIVE EXPENSES	36	(3,514,735)	(2,609,713)
OTHER EXPENSES	37	(1,234,738)	(1,788,943)
		(11,999,198)	(9,469,671)
		20,482,365	18,079,603
OTHER INCOME	38	9,842,944	1,780,032
PROFIT FROM OPERATIONS		30,325,309	19,859,635
FINANCE COST	39	(7,674,273)	(4,300,698)
PROFIT BEFORE LEVY AND TAXATION		22,651,036	15,558,937
LEVY	40	(410,639)	(163,270)
PROFIT BEFORE TAXATION		22,240,397	15,395,667
TAXATION	41	(6,764,288)	(6,206,972)
PROFIT AFTER TAXATION		15,476,109	9,188,695
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		11,374,337	6,442,898
NON-CONTROLLING INTEREST		4,101,772	2,745,797
		15,476,109	9,188,695

	Note	2024	2023
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	42	41.72	21.55

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024	2023
	(Rupees in thousand)	
PROFIT AFTER TAXATION	15,476,109	9,188,695
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit liability	(18,730)	(18,830)
Surplus on revaluation of freehold land (Note 5)	2,160,063	-
Related deferred income tax	5,432	6,977
	2,146,765	(11,853)
Surplus arising on remeasurement of investment at fair value through other comprehensive income	1,152,902	276,304
Related deferred income tax	(310,944)	(67,467)
	841,958	208,837
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	2,988,723	196,984
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18,464,832	9,385,679
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	14,002,865	6,558,904
NON-CONTROLLING INTEREST	4,461,967	2,826,775
	18,464,832	9,385,679

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY														Non-controlling interest	Total equity
	Share capital	Reserves												Total		
		Capital reserves								Revenue reserves			Total reserves			
		Share premium	Reserve against capacity expansion	Reserve against buy-back of shares	Own shares purchased for cancellation	Fair value reserve	Reserve against Long Term Investments	Surplus on revaluation of freehold land	Sub-total	General reserve	Un-appropriated profit	Sub-total				
	(Rupees in thousand)															
Balance as at 01 July 2022	2,992,964	986,077	-	-	-	2,978	-	4,070,446	5,059,501	1,450,491	29,263,044	30,713,535	35,773,036	38,766,000	18,114,640	56,880,640
Transactions with owners:	-	-	-	-												
- Own shares purchased during the year for cancellation	-	-	-	-	(312,153)	-	-	-	(312,153)	-	-	-	(312,153)	(312,153)	-	(312,153)
- Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(37,259)	(37,259)	(37,259)	(37,259)	(138,751)	(176,010)
	-	-	-	-	(312,153)	-	-	-	(312,153)	-	(37,259)	(37,259)	(349,412)	(349,412)	(138,751)	(488,163)
Surplus on revaluation of investment property (Note 5)	-	-	-	-	-	-	-	(10,066)	(10,066)	-	10,066	10,066	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,442,898	6,442,898	6,442,898	6,442,898	2,745,797	9,188,695
Other comprehensive income for the year	-	-	-	-	-	122,814	-	-	122,814	-	(6,808)	(6,808)	116,006	116,006	80,978	196,984
Total comprehensive income for the year	-	-	-	-	-	122,814	-	-	122,814	-	6,436,090	6,436,090	6,558,904	6,558,904	2,826,775	9,385,679
Balance as at 30 June 2023	2,992,964	986,077	-	-	(312,153)	125,792	-	4,060,380	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:																
- Own shares purchased during the year for cancellation	(299,970)	-	-	-	312,153	-	-	-	312,153	-	(1,475,279)	(1,475,279)	(1,163,126)	(1,463,096)	-	(1,463,096)
- Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(305,738)	(305,738)	(305,738)	(305,738)	(693,407)	(999,145)
	(299,970)	-	-	-	312,153	-	-	-	312,153	-	(1,781,017)	(1,781,017)	(1,468,864)	(1,768,834)	(693,407)	(2,462,241)
Transfer from revenue reserves to capital reserves (Note 5)	-	-	26,769,600	2,363,480	-	-	2,942,400	-	32,075,480	(1,450,491)	(30,624,989)	(32,075,480)	-	-	-	-
Transfer of gain on disposal of FVTOCI investment to retained earnings	-	-	-	-	-	(19,352)	-	-	(19,352)	-	19,352	19,352	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	11,374,337	11,374,337	11,374,337	11,374,337	4,101,772	15,476,109
Other comprehensive income for the year	-	-	-	-	-	500,311	-	2,136,043	2,636,354	-	(7,826)	(7,826)	2,628,528	2,628,528	360,195	2,988,723
Total comprehensive income for the year	-	-	-	-	-	500,311	-	2,136,043	2,636,354	-	11,366,511	11,366,511	14,002,865	14,002,865	4,461,967	18,464,832
Balance as at 30 June 2024	2,692,994	986,077	26,769,600	2,363,480	-	606,751	2,942,400	6,196,423	39,864,731	-	14,651,798	14,651,798	54,516,529	57,209,523	24,571,224	81,780,747

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	31,915,642	24,988,031
Finance cost paid		(7,629,536)	(3,708,818)
Employee benefits paid		(47,729)	(53,878)
Income tax and levies paid		(2,561,601)	(2,327,837)
Worker's welfare fund paid		(69,267)	(125,259)
Workers' profits participation fund paid		(178,772)	(292,692)
Net (increase) / decrease in long term loans to employees		(13,139)	1,277
Net increase in long term deposits		(61,359)	(7,956)
Net cash generated from operating activities		21,354,239	18,472,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(8,698,245)	(14,341,043)
Intangible assets acquired		(89,828)	-
Long term investments made		(83,374)	(15,000)
Proceeds from disposal of long term investments		69,624	28,021
Short term investments - net		(8,538,037)	(5,143,824)
Proceeds from disposal of property, plant and equipment		417,590	114,065
(Decrease) / increase in retention money payable		(1,752,988)	1,750,198
Interest received		313,105	193,486
Dividend received		823,615	120,021
Net cash used in investing activities		(17,538,538)	(17,294,076)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction with non-controlling interests		(999,145)	(176,010)
Proceeds from long term financing		1,115,127	6,340,660
Repayment of long term financing		(6,310,963)	(5,802,358)
Own shares purchased for cancellation		(1,463,096)	(312,153)
Lease rentals paid during the year		(32,329)	(14,611)
Short term borrowings - net		3,927,500	(778,363)
Dividend paid		(844)	(561)
Net cash used in financing activities		(3,763,750)	(743,396)
Net increase in cash and cash equivalents		51,951	435,396
Cash and cash equivalents at the beginning of the year		1,597,054	1,161,658
Cash and cash equivalents at the end of the year		1,649,005	1,597,054

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

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 Holding 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.

1.2 Subsidiary companies

1.2.1 Maple Leaf Cement Factory Limited (MLCFL)

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

1.2.2 Maple Leaf Capital Limited (MLCL)

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

1.2.3 Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited was incorporated in Pakistan on 15 October 2015 as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017). It is wholly owned 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.

MLPL was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. MLPL entered into a Power Purchase Agreement (PPA) and Steam Purchase Agreement with MLCFL on 04 July 2017 and 31 October 2019 respectively, which are valid for 20 years.

1.2.4 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. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the company as at 31 March 2024. MLIL has not yet commenced its commercial operations. The financial statements of MLIL are for the period from 01 July 2023 to 31 March 2024.

1.2.5 Novacare Hospitals (Private) Limited (NHPL)

Novacare Hospitals (Private) Limited was incorporated in Pakistan on 21 March 2023 as a private company limited by shares under the Companies Act, 2017. It is subsidiary of MLCFL, which is subsidiary of the Holding Company. MLCFL entered into an agreement with NHPL that MLCFL would invest in NHPL, maintaining at least a 66.66% shareholding. The agreement granting the MLCFL ordinary shares, has a term of eight years with a one-year extension option. The principle line of business of NHPL is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centres. The registered office of the Company is situated at 1st Floor, F-J Plaza, Block No. 02, Markaz F-7, Islamabad Capital Territory(I.C.T), Pakistan.

1.3 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
	Manufacturing units:	
1	Spinning and Home textile units	Peshawar Road, Rawalpindi.
2	Spinning unit	Gulyana Road, Gujar Khan, District Rawalpindi.
3	Weaving unit	8 K.M. Manga Raiwind Road, District Kasur.
4	Cement and Power plant	Iskanderabad, District Mianwali
5	Healthcare	Markaz F-7, Islamabad.
	Head office	42-Lawrence Road, Lahore.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of consolidated 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. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

From the financial year ending on 30 June 2025 (tax year 2025), income of the Group including from export sales will be taxed under the normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary difference between the accounting and tax base of operating fixed assets is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Group is transitioning to this regime. Previously, the Group was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under the final tax regime till 30 June 2024) has now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred income tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred income tax.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Classification of investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

Employee benefits

The Subsidiary Company Maple Leaf Cement Factory Limited (MLCFL) operates approved funded gratuity schemes covering all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market - related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

The Subsidiary Company Maple Leaf Cement Factory Limited (MLCFL) also operates approved unfunded accumulated compensated absences benefit scheme covering all its full time permanent employees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis. Accumulated compensated absences cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years and the related actuarial gain / loss. Calculations are sensitive to changes in the underlying assumptions.

Impairment

The management of the Group reviews carrying amounts of its assets including receivables, advances and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the consolidated statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

Revaluation of land (Note 52)

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').

- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').

- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the consolidated financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Basis of consolidation

Subsidiaries are all entities (Including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Subsidiary Company has been consolidated on a line-by-line basis and the carrying values of investment held by the Holding Company has eliminated against the shareholders' equity in the Subsidiary Company are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

Non-controlling interest is that part of net results of the operations and of net assets of the Subsidiaries which are not owned by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statement.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amount previously recognized in consolidated statement of other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or as an available for sale financial asset depending on level of influence retained.

Intra-group balances and transactions have been eliminated.

2.3 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the , final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Group is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Group has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
		(Rupees in thousand)
Statement of profit or loss:		
Taxation	Levy	163.270
Statement of financial position:		
Provision for taxation	Levy payable	163.270
Advance income tax	Prepaid levy	163.270

Had there been no change in the above referred accounting policy, amount of levy Rupees 410.638 million, levy payable Rupees 410.638 million and prepaid levy Rupees 337.231 million would have been presented as taxation expense, provision for taxation and advance income tax respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact on earnings per share of the Group. Furthermore, the Group has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective restatement do not have an effect on the information in the statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in consolidated other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the consolidated statement of profit or loss, the increase is first recognized in the consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in consolidated other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the consolidated statement of profit or loss.

Depreciation

Depreciation on operating fixed assets is charged to the consolidated statement of profit or loss applying the reducing balance method except that straight-line method is used for the plant and machinery and buildings of MLCFL relating to dry process plant and power plant of MLPL after deducting residual value, so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 20.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed of. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.5 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method is reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

2.6 Investment and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

2.7 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.8 Impairment of financial assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;

- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.9 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.10 Share capital

Ordinary shares of the Holding Company are classified as share capital. Incremental cost directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.11 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i)	For raw materials:	Annual average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.12 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.13 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

2.14 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in consolidated statement of profit or loss.

2.15 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.16 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Holding Company provides processing services to local customers. These services are rendered separately and the Holding Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Holding Company's contracts with its customers.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

Realized gain

Realized capital gains / (losses) arising on sale of investments are included in the consolidated statement of profit or loss on the date at which the transaction takes place.

Realized gains / (losses) arising on sale of gold are included in the consolidated statement of profit or loss on the date at which the transaction takes place.

Unrealized gain

Unrealized capital gains / (losses) arising on changes in the fair value of investments classified as "Fair value through profit or loss" are included in the consolidated statement of profit or loss in the period in which they arise.

Unrealized gains / (losses) arising on revaluation of gold are included in the consolidated statement of profit or loss in the period in which they arise.

2.17 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.18 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.19 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.20 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.21 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.22 Refund liabilities

Refund liabilities are recognized where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.23 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.24 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

2.25 Contingent liabilities

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

2.26 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.27 Derivative financial instruments

Derivatives instruments that are held by the Group primarily comprise of future contracts in the capital market and commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the relevant exchange of the future contracts. Derivatives with the positive market values (unrealized gains) are included in assets and derivatives with the negative market value (unrealized losses) are included in liabilities in the consolidated statement of financial position. The resultant gains / (losses) are included in consolidated statement of profit or loss.

2.28 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

2.29 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.30 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.31 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has six reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles), Power (generation of electricity), Investment (invest the capital in any sort of financial instruments and commodities) and Cement.

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.32 Government grants

The Group follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in consolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefits

i) Defined contribution plan

The Group operates an approved funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Group and employees to the fund. The Group's contributions to the fund are charged to consolidated statement of profit or loss.

ii) Defined benefit plan

The Subsidiary Company MLCFL operates approved funded gratuity scheme for all its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to consolidated statement of profit or loss.

Net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in consolidated statement of comprehensive income. Net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit or loss. Gains and losses on the settlement of a defined benefit plan are recognized when the settlement occurs.

iii) Liability for employees' compensated absences

MLCFL accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves enchased at the time the employee leaves MLCFL's service. MLCFL uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on 30 June 2024. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the consolidated statement of profit or loss. The amount recognized in the consolidated statement of the financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.

3.2 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the consolidated statement of profit or loss for the year in which it arises.

3.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Investment in gold

Investment in gold is initially recognized at fair value less cost to sell. Subsequent to initial recognition, these are measured at fair value using spot rate fixed by the Pakistan Mercantile Exchange Limited (PMEX). Gain or loss arising from changes in fair value less cost to sell are recognized in the consolidated statement of profit or loss in the period of change.

3.6 Dividend and other appropriations

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.7 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024	2023		2024	2023
(Number of Shares)			(Rupees in thousand)	
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
139,185,327	169,182,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,391,853	1,691,823
269,299,456	299,296,456		2,692,994	2,992,964

5. RESERVES

	Note	2024	2023
		(Rupees in thousand)	
Composition of reserves is as follows:			
Capital reserves			
Share premium	5.1	986,077	986,077
Surplus on revaluation of freehold land:	5.2		
- Freehold land			
As at 01 July		4,060,380	2,806,854
Fair value adjustment		2,136,043	-
Transferred from investment properties		-	1,253,526
As at 30 June		6,196,423	4,060,380
- Investment properties			
As at 01 July		-	1,263,592
Transferred to surplus on revaluation of freehold land		-	(1,253,526)
Transferred to unappropriated profit		-	(10,066)
As at 30 June		-	-
		6,196,423	4,060,380
Reserve against capacity expansion	5.3	26,769,600	-
Reserve against buy-back of shares	5.3	2,363,480	-
Reserve against long term investments	5.3	2,942,400	-
Own shares purchased for cancellation	5.4	-	(312,153)
Fair value reserve	5.5	606,751	125,792
		39,864,731	4,860,096
Revenue reserves			
General reserve		-	1,450,491
Unappropriated profit		14,651,798	35,671,941
		14,651,798	37,122,432
		54,516,529	41,982,528

5.1 This reserve can be utilized by the Group only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents net accumulative increase in the carrying amount as a result of revaluation of freehold land. This surplus on revaluation of freehold land is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3 The Board of Directors of the Holding Company & Subsidiary Company, MLCFL approved that, over the years the Holding Company and Subsidiary Company, MLCFL has continued with its expansion strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the revenue reserves of the Holding Company & Subsidiary Company, MLCFL has been utilized and are not entirely available for distribution as dividend. Therefore, the Board decided to re-classify a sum of Rupees 32.075 billion from the revenue reserves to separate capital reserves (not available for distribution by way of dividend) to more accurately reflect the nature of these reserves.

5.4 The Holding Company has bought back 29.997 million shares for the purpose of cancellation from 03 May 2023 to 28 August 2023 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Holding Company in their meetings held on 06 February 2023 and 03 March 2023 respectively, where the Holding Company was allowed to purchase/buy back its issued ordinary shares upto the maximum of 30 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from 13 March 2023 to 29 August 2023. These shares were cancelled on 07 September 2023.

5.5 This represents the unrealized gain on re-measurement of investment at fair value through other comprehensive income of Subsidiary Company, MLCFL and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	Note	2024	2023
		(Rupees in thousand)	
Balance at the beginning of the year		212,428	3,591
Fair value adjustment during the year		1,152,902	276,304
Transfer of gain on disposal of FVTOCI investment to retained earnings		(23,338)	-
		1,341,992	279,895
Less: Deferred income tax liability		(310,944)	(67,467)
Balance at the end of the year		1,031,048	212,428
Less: Share of non-controlling interests		(424,297)	(86,636)
		606,751	125,792

	Note	2024	2023
		(Rupees in thousand)	

6. NON-CONTROLLING INTEREST

Opening balance		20,802,664	18,114,640
Add / (less): Share during the year:			
Transaction with non-controlling interests		(693,407)	(138,751)
Profit for the year		4,101,772	2,745,797
Other comprehensive income for the year		360,195	80,978
		3,768,560	2,688,024
		24,571,224	20,802,664

7. LONG TERM FINANCING

	Note	2024	2023
From banking companies and other financial institution - secured			
Holding Company	7.1	7,059,950	7,432,812
Subsidiary Company - MLCFL	7.2	13,193,486	17,832,738
		20,253,436	25,265,550
Less: Current portion shown under current liabilities	17	(4,647,161)	(3,623,858)
		15,606,275	21,641,692

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
7.1 Holding Company							
The Bank of Punjab	235,635	285,318	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	Joint pari passu charge amounting to Rupees 2,861.643 million (inclusive of 25% margin) over plant and machinery and mortgage charge of Rupees 934 million on land measuring 43 Acres, 07 Kanals and 12 Marlas of the Holding Company.
	271,774	348,269	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	296,933	363,600	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	288,921	349,917	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
	72,308	82,638		3 Month Kibor + 1.00%			
	361,229	432,555					
	447,001	459,269	500,000	3 Month Kibor + 1.00%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,612,572	1,889,011	2,300,000				
MCB Bank Limited	112,467	123,825	123,282	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commenced from 12 November 2023 and ending on 12 August 2031.	Quarterly	Joint pari passu charge amounting to Rupees 3,816 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
MCB Bank Limited	1,732,699	1,732,699	1,732,699	3 Month Kibor + 1.00%	Thirty two unequal quarterly installments commencing from 21 October 2024 and ending on 20 November 2032.	Quarterly	
MCB Bank Limited (Note 6.1.1)	410,128	465,719	458,420	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commenced from 25 May 2023 and ending on 04 June 2031.	Quarterly	
MCB Bank Limited	373,996	-	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commencing from 20 January 2025 and ending on 20 October 2030.	Quarterly	
	2,629,290	2,322,243	2,688,397				
National Bank of Pakistan	250,642	333,515	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	Joint pari passu charge amounting to Rupees 2,192.493 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
	95,140	131,395	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 09 June 2027.	Half yearly	
	91,175	113,968	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 03 March 2023 and ending on 03 March 2028.	Half yearly	

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
	311,701	374,646	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 10 September 2022 and ending on 06 April 2029.	Half yearly	
	-	122,337		6 Month Kibor + 1.50%			
	311,701	496,983					
	85,389	184,453	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	834,047	1,260,314	1,861,000				
PAIR Investment Company Limited	49,050	92,308	180,500	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	Quarterly	Joint pari passu charge amounting to Rupees 324.64 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
	81,147	101,077	119,500	SBP LTFF rate + 1.50%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	130,197	193,385	300,000				
United Bank Limited	140,916	144,048	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commenced from 01 April 2024 and ending on 16 February 2030.	Quarterly	Joint pari passu charge amounting to Rupees 1,066.667 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
	355,952	27,341		3 Month Kibor + 1.00%			
	496,868	171,389					
	253,846	300,000	300,000	3 Month Kibor + 1.00%	Twenty equal quarterly installments commenced from 13 September 2023 and ending on 13 December 2029.	Quarterly	
	750,714	471,389	800,000				
Askari Bank Limited	78,424	109,802	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	Joint pari passu charge amounting to Rupees 467 million (inclusive of 25% margin) over land and building and Rupees 178 million (inclusive of 25% margin) over plant and machinery of Raiwind Division of the Holding Company.
Allied Bank Limited	304,038	388,100	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	Joint pari passu charge amounting to Rupees 1,839.453 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
Allied Bank Limited	317,540	381,708	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 24 January 2023 and ending on 20 June 2030.	Quarterly	
	403,128	416,860		3 Month Kibor + 0.75%			
	720,668	798,568					
	1,024,706	1,186,668	1,300,000				
	7,059,950	7,432,812	9,599,397				

7.2 Subsidiary Company (MLCFL)

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - Term Finance	388,921	459,634	1,000,000	3-month KIBOR + 125 basis points ('bps') per annum ('p.a'), payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	10 equal quarterly installments ending on 28 December 2026.	Quarterly	1st Joint Parri Passu ('JPP') charge of Rupees 1,334 million, margin 25% over fixed assets of the MLCFL as below: 1. Hypothecation charge over all present and future plant and machinery of the MLCFL. 2. Land and building of cement unit phase-II and additional bare and measuring Land 30 kanals adjacent to it.
The Bank of Punjab - Demand Finance	689,216	814,528	2,000,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	11 equal quarterly installments ending on 28 February 2027.	Quarterly	1st Joint pari passu charge over all present and future fixed assets of the customer with 25% margin facility coverage of amounting to Rupees 4,000 Million (Bank of Punjab charge value Rupees 7,903,000 million).
MCB Bank Limited - Demand Finance	707,254	775,650	2,000,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	11 equal quarterly installments ending on 22 June 2027.	Quarterly	First Parri Passu (FPP) charge over all present and future fixed assets at 25% margin.
National Bank of Pakistan - Demand Finance	1,280,001	1,280,001	5,500,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	09 equal quarterly installments ending on 30 September 2026.	Quarterly	First Parri Passu / Joint pari passu charge of Rupees 5,333.33 million over all present and future fixed assets (including land, buildings, plant and machinery) of the MLCFL. Personal Guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
Samba Bank Limited - Term Finance	112,500	262,500	750,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	03 equal quarterly installments ending on 01 January 2025.	Quarterly	Joint pari passu charge of Rupees 600 Million on entire present and future fixed assets of the MLCFL including land, plant and machinery, buildings and all fixed assets under lien to other long term lenders.
MCB Islamic Bank Limited - Diminishing Musharakah	570,614	822,807	1,500,000	3-month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	*Repayment will be made in following tranches Tranche 1 08 equal quarterly installments ending on 23 May 2026 Tranche 2 08 equal quarterly installments ending on 30 May 2026 Tranche 3 09 equal quarterly installments ending on 28 June 2026 Tranche 4 09 equal quarterly installments ending on 14 September 2026 Tranche 5 09 equal quarterly installments ending on 17 September 2026 Tranche 6 11 equal quarterly installments ending on 28 December 2026.	Quarterly	First Joint Parri Passu charge of Rupees 2,000 million over all present and future fixed assets of the MLCFL including land and buildings Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - TERF (Note 7.3.1)	294,469	415,864	900,000	SBP Rate + 200 bps p.a, payable quarterly in arrears	09 equal quarterly installments ending on 17 August 2026.	Quarterly	First Joint Parri Passu charge of Rupees 2,000 million to the extent of Rupees 890.493 million with 25% Margin over fixed assets of MLCFL as below: a. Hypothecation charge over all present and future plant and machinery of the MLCFL. b. Land and building of the cement unit Phase II and additional bare land measuring 30 kanals adjacent to it. Ranking hypothecation charge of Rupees 310 million with a 25% margin over all present and future fixed assets (excluding land and building) of the MLCFL to be registered with SECP.
The Bank of Punjab - Demand Finance	189,122	243,157	600,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	14 equal quarterly installments ending on 13 December 2027.	Quarterly	First Joint pari passu charge of Rs 7,903 million over all present and future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
National Bank of Pakistan - Demand Finance	624,843	714,106	1,220,497	3-month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	28 equal quarterly installments starting from 20 June 2031.	Quarterly	First Parri Passu / Joint pari passu charge on present and future fixed assets of the MLCFL with 25% margin. Personal Guarantees of Sponsor Directors Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
National Bank of Pakistan - TERF (Note 7.3.1)	1,024,480	1,126,651	1,779,503	SBP rate + 150 bps p.a, payable quarterly in arrears	28 equal quarterly installments starting from 18 June 2031.	Quarterly	First Parri Passu / Joint pari passu charge on present and future fixed assets of the MLCFL with 25% margin. Personal Guarantees of sponsoring directors Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol.
The Bank of Punjab - Demand Finance	2,014,372	2,222,755	2,500,000	3-month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	29 equal quarterly installments ending on 23 August 2031.	Quarterly	First Joint pari passu charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
The Bank of Punjab - TERF (Note 7.3.1)	360,115	382,414	500,000	SBP Rate + 150 bps p.a payable quarterly in arrears.	29 equal quarterly installments ending on 29 June 2031.	Quarterly	First Joint Parri Passu charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL with 25% margin. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
MCB Bank Limited - LTFF	746,885	805,806	805,806	SBP Rate + 150 bps p.a, payable quarterly in arrears	28 equal quarterly installments ending on 18 June 2031.	Quarterly	First Joint Parri Passu over all present and future fixed assets of the MLCFL of Rupees 38,051 million with 25% margin.
MCB Bank Limited - Demand Finance	539,536	617,007	1,194,194	3-month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	28 equal quarterly installments ending on 18 June 2024.	Quarterly	First Joint Parri Passu charge of Rupees 38,051 million (MCB share Rupees 4,500 million) over all present and future fixed assets of the MLCFL.

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Habib Bank Limited - LTFF	448,564	560,705	560,705	SBP + 150 bps p.a, payable quarterly in arrears	16 equal quarterly installments ending on 25 June 2028.	Quarterly	First Joint Parri Passu charge of Rupees 4,000 million over all present and future fixed assets of the MLCFL including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
Habib Bank Limited - Term Finance	-	1,974,686	2,439,295	3-month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	This loan has been fully repaid during the year.	Quarterly	First Joint Parri Passu charge of Rupees 4,000 million over all present and future fixed assets of the MLCFL including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
Allied Bank Limited -Term Finance	308,662	365,473	518,575	3-month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Repayment will be made in following tranches: Tranche 1 20 equal quarterly installments ending on 30 June 2029 Tranche 2 18 equal quarterly instalments ending on 22 November 2028 Tranche 3 21 equal quarterly installments ending on 19 September 2029.	Quarterly	Joint Parri Passu charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the MLCFL.
Allied Bank Limited - LTFF	91,069	111,306	121,425	SBP + 100 bps p.a. payable quarterly in arrears.	Tranche 1 SBP + 100 BPS Tranche 2 SBP + 400 BPS p.a, payable quarterly in arrears.	Quarterly	Joint Parri Passu charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the MLCFL.
Faysal Bank Limited - Diminishing Musharakah	1,156,029	1,428,036	2,000,000	3-month KIBOR + 50 bps p.a, payable quarterly in arrears.	17 equal quarterly installments ending on 31 August 2028	Quarterly	Joint Parri Passu Charge over all present and future fixed assets of the MLCFL with 25% margin.
MCB Islamic Bank Limited - Diminishing Musharakah (Note 7.3.1)	198,987	299,445	350,000	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Repayment will be made on following tranches. Tranche 1 06 equal quarterly installments ending on 01 October 2025 Tranche 2 06 equal quarterly installments ending on 30 September 2025 Tranche 3 08 equal quarterly installments ending on 26 April 2026.	Quarterly	Joint Parri Passu charge over fixed assets of MLCFL including land, buildings and plant and machinery with 25% margin.
MCB Bank Limited - Demand Finance	333,278	333,278	500,000	3-month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	16 equal quarterly installments ending on 28 February 2029.	Quarterly	First Joint Parri Passu charge of Rupees 2,000 million over all present and future fixed assets of the MLCFL including land and building. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

LENDER	2024	2023	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - Term Finance	270,820	816,931	1,000,000	3-month KIBOR + 125 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	11 equal quarterly installments starting from 09 September 2029.	Quarterly	First Joint Parri Passu charge of Rupees 1,333.33 million over fixed assets of the MLCFL inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 kanals adjacent to it.
Allied Bank Limited - Term Finance	843,750	1,000,000	1,000,000	3-month KIBOR + 70 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	Repayment will made in following tranches: Tranche 1 13 equal quarterly installments ending on 04 August 2027 Tranche 2 14 equal quarterly installments ending on 12 December 2027.		First Joint Parri Passu charge over fixed assets (plant and machinery) of the MLCFL with 25% margin. Disbursement will be made against ranking charge to be upgraded within 90 days from the date of initial disbursement.
	13,193,486	17,832,738	30,740,000				

7.3 This represents 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. The reconciliation of the carrying amount is as follows:

	MLCFL		KTML		Total	
	2024	2023	2024	2023	2024	2023
	---------------- (RUPEES IN THOUSAND) ----------------					
Balance at beginning of the year	2,224,374	2,247,713	465,719	466,488	2,690,093	2,714,201
Repayments during the year	(526,089)	(205,869)	(59,549)	(4,892)	(585,638)	(210,761)
	1,698,285	2,041,844	406,170	461,596	2,104,455	2,503,440
Discounting adjustments for recognition at fair value - deferred government grant	-	(3)	-	-	-	(3)
Unwinding of discount on liability	179,766	182,533	3,958	4,123	183,724	186,656
Balance as at end of the year	1,878,051	2,224,374	410,128	465,719	2,288,179	2,690,093

7.3.1 The Bank wise break-up of financing obtained under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" is as follows:

	MLCFL		KTML		Total	
	2024	2023	2024	2023	2024	2023
	---------------- (RUPEES IN THOUSAND) ----------------					
Askari Bank Limited	294,469	415,864	-	-	294,469	415,864
MCB Bank Limited	-	-	410,128	465,719	410,128	465,719
MCB Islamic Bank Limited	198,987	299,445	-	-	198,987	299,445
National Bank of Pakistan	1,024,480	1,126,651	-	-	1,024,480	1,126,651
The Bank of Punjab	360,115	382,414	-	-	360,115	382,414
	1,878,051	2,224,374	410,128	465,719	2,288,179	2,690,093

	Note	2024	2023
		(Rupees in thousand)	

8. DEFERRED GOVERNMENT GRANTS

	Note	2024	2023
Balance at the beginning of the year	8.1	803,092	997,761
Government grant recognised during the year		-	3
Less: Amortisation of deferred government grant during the year		(183,724)	(194,672)
		619,368	803,092
Less: Current portion of deferred government grant	17	(158,911)	(183,725)
		460,457	619,367

8.1 These represent deferred government grants in respect of long term loans obtained by the Group under "SBP Temporary Economic Refinance Facility" as disclosed in note 7.3 to these consolidated financial statements, respectively. There are no unfulfilled conditions or other contingencies attached to these grants.

	Note	2024	2023
		(Rupees in thousand)	

9. LIABILITY AGAINST RIGHT OF USE ASSETS

	Note	2024	2023
Liability against right of use assets		41,664	33,973
Addition during the year		66,056	17,666
Interest expense		9,154	5,038
Payment during the year		(32,329)	(14,611)
Disposal during the year		(1,837)	(402)
	9.1	82,708	41,664
Current portion of liability against right of use assets	17	(31,828)	(10,257)
		50,880	31,407

9.1 Maturity analysis of liability against right of use assets is as follows:

	2024	2023
Less than one year	36,812	14,325
One to five years	48,664	26,498
More than five years	33,417	30,226
	118,893	71,049
Future finance charge	(36,185)	(29,385)
Present value of liability against right of use asset	82,708	41,664

10. LONG TERM DEPOSITS

These include interest free security deposits from stockists and suppliers and are repayable on cancellation/withdrawal of the dealership or on cessation of business with the Group. As per the agreements signed with these parties, the Group has the right to utilise the amounts for the furtherance of their business, hence, the amounts are not required to be kept in a separate account maintained in a scheduled bank. Therefore, the Group is in compliance with section 217 of the Companies Act, 2017. These deposits have not been carried at amortised cost since the effect of discounting is immaterial in the context of these financial statements.

	Note	2024	2023
		(Rupees in thousand)	

11. RETIREMENT BENEFITS

	Note	2024	2023
Subsidiary Company - MLCFL			
Accumulated compensated absences	11.1	253,362	213,283
Gratuity	11.2	75,166	65,210
		328,528	278,493

11.1 Accumulated compensated absences

The actuarial valuation of the MLCFL's accumulated compensated absences was conducted on 30 June 2024 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

11.1.1 Movement in the present value of defined benefit obligations is as follows:

	2024	2023
	(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year	213,283	165,416
Current service cost	12,765	11,103
Interest cost for the year	32,638	20,729
Actuarial losses on present value of defined benefit obligations	19,544	33,974
Less: Benefits paid during the year	(24,868)	(17,939)
	253,362	213,283

11.1.2 Charge for the year

	2024	2023
Consolidated statement of profit or loss:		
Current service cost for the year	12,765	11,103
Interest cost for the year	32,638	20,729
Actuarial losses on present value of defined benefit obligations	19,544	33,974
	64,947	65,806

11.1.3 Sensitivity analysis

If the significant actuarial assumptions used to estimate the liability of compensated absences at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2024 would have been as follows:

	Compensated absences	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	233,203	276,647
Future salary increase + 100 bps	276,168	233,309

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

11.1.4 At 30 June 2024, the average duration of the defined benefit obligation was 8.6 years.

11.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June 2024:	2024 Percentage	2023 Percentage
Discount rate used for interest cost	16.25%	13.25%
Discount rate used for year end obligations	14.75%	16.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	
Average duration	8.6 Years	10 Years

11.1.6 Risks associated with the accumulating compensated absences

Final Salary Risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

11.2 Gratuity

The latest actuarial valuation was conducted on 30 June 2024 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2024 (Rupees in thousand)	2023
The amounts recognized in the consolidated statement of financial position are as follows:			
Present value of defined benefit obligation	11.2.1	183,180	162,626
Less: Fair value of plan assets	11.2.2	(120,046)	(99,815)
Add: Payable to ex-employees		12,032	2,399
Net liability at end of the year		75,166	65,210
Net liability at beginning of the year		65,210	69,913
Charge to consolidated statement of profit or loss for the year	11.2.3	14,087	12,406
Charge to consolidated statement of comprehensive income for the year	11.2.3	18,730	18,830
Contributions made during the year		(22,861)	(41,171)
Gratuity due but not paid		-	5,232
Net liability at end of the year		75,166	65,210

	2024	2023
	(Rupees in thousand)	
11.2.1 Movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligations at Beginning of the year	162,626	153,729
Current service cost for the year	6,619	6,029
Interest cost for the year	23,785	17,829
Benefits due but not paid	(10,835)	(2,399)
Adjustment against payables	21	-
Actuarial losses / (gain) on present value of defined benefit obligations	22,644	23,377
Benefits paid during the year	(21,680)	(35,939)
Present value of defined benefit obligation at end of the year	183,180	162,626
11.2.2 Movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	99,815	83,816
Contributions made during the year	22,861	41,171
Expected return on plan assets for the year	16,317	11,452
Actuarial losses / (gain) on plan assets	3,914	4,547
Benefits paid during the year	(22,861)	(41,171)
Fair value of plan assets at end of the year	120,046	99,815
Plan assets comprise of:		
NBP Government Securities Liquid Fund units	119,615	98,859
Cash at bank	431	956
	120,046	99,815

	2024	2023
	(Percentage)	
Equity	99.64%	99.04%
Cash at bank	0.36%	0.96%
	100.00%	100.00%

	2024	2023
	(Rupees in thousand)	
11.2.3 Charge for the year:		
In consolidated statement of profit or loss		
Current service cost for the year	6,619	6,029
Interest cost for the year	23,785	17,829
Expected return on plan assets for the year	(16,317)	(11,452)
	14,087	12,406
In consolidated statement of comprehensive income		
Actuarial losses on retirement benefits - net	18,730	18,830
	32,817	31,236
Actuarial assumptions:		
The following are the principal actuarial assumptions at 30 June:		
Discount rate used for year end obligation	16.25%	16.25%
Discount rate used for interest cost in profit or loss	13.75%	13.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	
Average duration	4 Years	4 Years

11.2.4 Risks associated with the accumulating compensated absences

Final Salary Risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk – the risk of the investment underperforming and being not sufficient to meet the liabilities.

11.2.5 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2024 would have been as follows:

	Gratuity	
	Impact on present value of of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	176,191	190,745
Future salary increase + 100 bps	190,845	175,978

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the consolidated statement of financial position.

11.2.6 At 30 June 2024, the average duration of the defined benefit obligation was 4 years (2023: 4 years).

11.3 MLCFL expects to charge Rupees 14.087 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2025.

11.4 Compensated absence and gratuity charge to consolidated statement profit or loss for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	34.2	51,925	41,000
Distribution cost	35.1	15,830	14,531
Administrative expenses	36.1	11,279	22,680
		79,034	78,211

12. RETENTION MONEY PAYABLE

This represents retention money payable to M/s Chengdu Design & Research Institute of Building Materials Industry Co., Limited, amounting to CNY 38.433 million (2023: CNY 38.410 million) equivalent to Rupees 1,481.864 million (2023: Rupees 1,535.635 million) against Line-IV after 18 months of last major shipment and remaining amount is payable to M/s Sinoma Energy Conservation Limited against Line-IV Waste Heat Recovery Plant amounting to CNY 5.437 million (2023: CNY 5.437 million) equivalent to Rupees 209.469 million (2023: Rupees 217.353 million). This amount will be payable on issuance of certificate of performance test acceptance by the Group. As of the reporting date, this amount has been classified in current liabilities under 'trade and other payables' as the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

	Note	2024	2023
		(Rupees in thousand)	
13. DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		12,647,939	11,451,809
Long term investments		-	2,121
Short term investments		2,246,160	65,859
		14,894,099	11,519,789
Deferred tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(246,341)	(149,513)
Provision against obsolete stock-in-trade		(1,522)	(1,522)
Deferred tax on unrealised profit on inventory		(31,147)	-
Short term investments		-	(3,092)
Unused tax losses		-	(479,209)
Unused tax credit - minimum tax under section 113	13.1	(225,484)	-
Provision against slow moving stores, spare parts and loose tools		(4,403)	(2,561)
Available tax loss on sale of investments and trading in derivatives		(64,483)	(61,082)
Alternative corporate tax		-	(1,507,484)
Employees' retirement benefits		(14,657)	(51,591)
		(588,037)	(2,256,054)
		14,306,062	9,263,735

13.1 This represents unused tax credit against minimum tax under section 113 of Income Tax Ordinance, 2001 and can be carried forward for adjustment against tax liability for maximum period of three years.

13.2 The pre-commencement expenditure of the Subsidiary Company (MLCFL) available for carry forward is estimated at Rupees 125.103 million (2023: Rupees 4.495 million). Management considers that the pre-commencement expenditure available for carry forward may not be utilized in the foreseeable future. Consequently, on prudence basis, deferred tax asset of Rupees 36.280 million (2023: Rupees 1.304 million) has not been recognised in these consolidated financial statements.

	Note	2024	2023
		(Rupees in thousand)	
13.3 Movement in deferred tax balances is as follows:			
At beginning of the year		9,263,735	5,372,229
Recognized in consolidated statement of profit or loss:			
- Accelerated tax depreciation on operating fixed assets		1,196,130	4,370,898
- Short term investments		1,870,328	147,844
- Allowance for expected credit losses		(96,828)	(92,094)
- Provision against obsolete stock-in-trade		-	(234)
- Unrealised profit on inventory		(31,147)	-
- Unused tax losses		479,209	495,654
- Unused tax credit - minimum tax under section 113		(225,484)	-
- Provision against slow moving stores, spare parts and loose tools		(1,842)	(1,316)
- Available tax loss on sale of investments and trading in derivatives		(3,401)	(33,644)
- Employees' retirement benefits		42,366	(6,636)
- Alternative corporate tax		1,507,484	(1,049,456)
	41	4,736,815	3,831,016
Recognized in consolidated statement of comprehensive income:			
- Employees' retirement benefits		(5,432)	(6,977)
- Long term investments		(2,121)	1,608
- Short term investments		313,065	65,859
		305,512	60,490
		14,306,062	9,263,735

14. TRADE AND OTHER PAYABLES

	Note	2024	2023
Creditors		7,096,368	5,863,594
Due to related party	14.1	288,741	-
Bills payable - secured		474,442	1,416,937
Accrued liabilities	14.2	2,631,018	2,857,181
Security deposits, repayable on demand	14.3	97,138	76,723
Contract liabilities - unsecured		582,448	779,638
Contractors' retention money	14.4	2,086,821	415,855
Workers' profits participation fund	14.5	2,108,796	1,869,014
Workers' welfare fund	14.6	763,523	536,974
Duties and taxes		1,859,158	2,159,350
Payable against redemption of preference shares		993	1,005
Withholding income tax payable		23,948	28,458
Sindh infrastructure development cess	14.7	455,736	349,878
Payable to employees' provident fund trust		58,822	17,933
Others		15,969	13,537
		18,543,921	16,386,077

14.1 This represents health care management fee payable to Andalus Holdings (ADGM) Limited, a related party.

14.2 Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2023: Rupees 310.020 million) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Group has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication.

14.3 This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given Group a right to utilize deposits in ordinary course of business.

14.4 This represents retention money withheld from contractors and are repayable after satisfactory completion of contracts.

	Note	2024	2023
		(Rupees in thousand)	
14.5 Workers' profits participation fund (WPPF)			
Balance as on 01 July		1,869,014	1,857,000
Add: Allocation for the year	37	418,554	304,706
		2,287,568	2,161,706
Less: Payments during the year		(178,772)	(292,692)
		2,108,796	1,869,014

14.5.1 Workers' profits participation fund has not been provided for in these consolidated financial statements with respect to Subsidiary Company, MLCL on the advice of the MLCL's legal consultant.

	Note	2024	2023
		(Rupees in thousand)	
14.6 Workers' welfare fund			
Balance as on 01 July		536,974	370,605
Add: Allocation for the year	37	295,816	291,628
		832,790	662,233
Less: Payment during the year		(69,267)	(125,259)
		763,523	536,974
14.7 Sindh infrastructure development cess			
Balance as at 01 July		349,878	198,652
Add: Provision for the year		105,858	151,226
Balance as at 30 June	14.7.1	455,736	349,878

14.7.1 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Group filed writ petition in Honorable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honorable Sindh High Court, Karachi passed order dated 04 June 2021 against the Group and directed that bank guarantees should be encashed. Being aggrieved by the order, the Group along with others filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also directed the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

	Note	2024	2023
		(Rupees in thousand)	

15. ACCRUED MARK-UP

Long term financing		732,664	942,156
Short term borrowings		651,274	406,199
		1,383,938	1,348,355

16. SHORT TERM BORROWINGS

From banking companies - secured			
Short term running finances	16.1 & 16.2	5,438,934	2,328,683
Other short term finances	16.1 & 16.3	2,949,158	2,404,661
State Bank of Pakistan (SBP) refinances	16.1 & 16.4	4,503,931	4,278,931
		12,892,023	9,012,275
Temporary bank overdraft - unsecured	16.5	50,487	2,735
		12,942,510	9,015,010

16.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw material and shares of listed companies as disclosed in note 31.2.1 to these consolidated financial statements, charge on current and future assets of the Group including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts and book debts. These form part of total credit facilities of Rupees 26,946 million (2023: Rupees 22,858 million). Markup on these finances is payable quarterly or at maturity.

16.2 The rates of mark-up range from 21.96% to 24.16 (2023: 14.80% to 23.08%) per annum on balance outstanding.

16.3 The rates of mark-up range from 21.24% to 25.30% (2023: 15.25% to 23.05%) per annum on balance outstanding.

16.4 The rates of mark-up range from 13.0% to 19.0% (2023: 3.0% to 18.0%) per annum on balance outstanding.

16.5 This represents temporary overdraft due to cheques issued by the Group at the statement of financial position date.

	Note	2024	2023
		(Rupees in thousand)	

17. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term financing	7	4,647,161	3,623,858
Deferred government grant	8	158,911	183,725
Long term liability against right of use asset	9	31,828	10,257
		4,837,900	3,817,840

18. PROVISION FOR TAXATION AND LEVY - NET

18.1 Provision for taxation		2,582,733	2,703,810
Less: Advance income tax		(2,224,370)	(2,164,155)
		358,363	539,655
Levy - net			
Levy payable		410,639	163,270
Less: prepaid levy		(337,231)	(163,270)
		73,408	-
		431,771	539,655

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

Holding Company

a) The Holding Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122(5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) who granted partial relief to the Holding Company vide order dated 08 March 2021. Another assessment under section 122(5A) dated 14 February 2017 was finalized by creating a demand of Rupees 12.185 million. The Holding Company filed an appeal before CIR(A) who upheld the order of assessing officer through order dated 28 January 2021. The Holding Company filed appeals before Honorable Appellate Tribunal Inland Revenue (ATIR) against above orders which are still pending for hearing. No provision has been made in these financial statements as the Holding Company, based on the advice of its legal counsel is hopeful of a favorable outcome.

b) The Holding Company filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full and final tax on exports cannot be adjusted against minimum tax @ 1% and creating demand of Rupees 49.807 million and the same has been upheld by the CIR(A). The impugned demand has been adjusted against refund for tax year 2013. An appeal has been filed by the Holding Company in ATIR, ATIR vide order dated 04 April 2022 remanded back the case to assessing officer. The department filed an appeal before Honorable Lahore High Court, which is pending adjudication. Furthermore, an assessment under section 122(5A) of the Income Tax Ordinance, 2001 dated 22 December 2017 has been finalized and taxable income has been assessed at Rupees 520.126 million by creating demand of Rupees 91.535 million. The Holding Company filed an appeal before CIR(A) who, vide its order dated 08 March 2021, granted relief on major issues, while upheld the order on various other issues. The Holding Company filed appeal before the Honorable Appellate Tribunal Inland Revenue where the case is still pending. No provision has been made in these financial statements as the Holding Company is hopeful of a favorable outcome based on the advice of its legal counsel.

c) The Holding Company filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Holding Company filed an appeal before CIR(A) who granted relief on major issues, while upheld the order on various other issues. The Holding Company filed appeal before the ATIR who, vide its order dated 25 January 2021, decided the case in favour of the Holding Company. The department has filed appeal against this order in Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Holding Company is hopeful of a favorable outcome based on the advice of its legal counsel.

d) The Holding Company filed income tax return for the tax year 2018 having taxable income amounting to Rupees 483.836 million and creating a refund of Rupees 138.836 million. Assessment under section 122 (5A) dated 30 January 2023 of the Income Tax Ordinance, 2001 was finalized and taxable income had been assessed at Rupees 725.486 million, creating demand of Rupees 81.153 million. The Holding Company has paid an amount of Rupees 30 million under protest and filed an appeal before CIR(A). The Holding Company's appeal was disposed off through appellate order dated 17 April 2024 partially in favour of the Holding Company. The Holding Company has prefered an appeal before the ATIR, which is pending adjudication. No provision has been made in these financial statements as the Holding Company is hopeful of a favorable outcome based on the advice of its legal counsel.

e) The Holding Company has filed a petition against the National Highway Authority's (NHA) demand for payment of registration fee of Rupees 75 million in accordance with the National Highway Authority Act of 1991. The argument is based on the fact that the Holding Company is registered with relevant local bodies at the time of its establishment and that registration with NHA is not required. Moreover, legislation cannot be applied retrospectively to any company. A single bench of the Lahore High Court granted interim relief in favour of the Holding Company in its order dated 22 October 2020, and the issue is presently pending adjudication. No provision has been made in these financial statements as the Holding Company is hopeful of favorable outcome based on the advice of its legal counsel.

f) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million along with penalty of Rupees 120.001 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Holding Company filed an appeal before CIR(A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Holding Company while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), Deputy Commissioner Inland Revenue (DCIR) commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Holding Company has filed an appeal against the order of the CIR(A) before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

g) On 25 October 2023, a sales tax demand of Rupees 1,175.268 million along with penalty under section 11 of Sales Tax Act, 1990 was created for the tax period November 2019 to June 2022 by the order of the DCIR dated 28 June 2024. The Holding Company has filed an appeal against the order before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

h) The Holding Company and tax authorities filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Holding Company and tax authorities, no provision has been made in these financial statements which on the basis adopted by the authorities would amount to Rupees 637.620 million (2023: Rupees 451.507 million), since the Holding Company has strong grounds against the assessments framed by the relevant authorities.

i) The Holding Company filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2023: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these financial statements since the Holding Company is confident about favorable outcome of the cases based on the advice of its legal counsel.

j) The Holding Company filed suits before Civil Court, Rawalpindi and Lahore High Court, against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these financial statements, since the Holding Company is confident about favorable outcome based on the advice of its legal counsel.

k) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Holding Company, to various institutions and corporate bodies aggregate to Rupees 836.181 million (2023: Rupees 731.610 million).

Subsidiary Company - Maple Leaf Cement Factory Limited

a) MLCFL had filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi (now, Customs, Excise & Sales Tax Appellate Tribunal, Karachi) against the order of the Deputy Collector Customs whereby the refund claim of MLCFL amounting to Rupees 12.350 million was rejected and MLCFL was held liable to pay an amount of Rupees 37.050 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated July 01, 1995. The impugned demand was raised by the department on the alleged ground that MLCFL was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated April 02, 1994.

The Honourable Lahore High Court, upon MLCFL's appeal, vide its order dated November 06, 2001, decided the matter in favour of MLCFL. However, the Collector of Customs preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and MLCFL's legal advisor are confident that the ultimate outcome of this case will be in favour of MLCFL.

b) A show cause notice was issued to MLCFL on December 04, 1999 and demand was raised by the Central Board of Revenue (now, the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by MLCFL (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rupees 1,386.720 million was raised by the Central Board of Revenue out of which an amount of Rupees 449.328 million was deposited by MLCFL (initially, MLCFL deposited Rupees 269.328 million and subsequently deposited further amount of Rupees 180.00 million). Initially, the matter was decided in favour of MLCFL as per the judgment of the Lahore High Court in writ petition no. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgement dated December 21, 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad. MLCFL filed its reply before the Collector of Customs, Faisalabad who decided the same against MLCFL vide order no. 6/2014 dated July 09, 2014. The said order was challenged by MLCFL by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to MLCFL with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006. MLCFL filed its reply before the Collector of Customs, Faisalabad who decided the same against MLCFL vide order no. 6/2014 dated July 09, 2014. The said order was challenged by MLCFL by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to MLCFL with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006.

c) MLCFL has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, in its judgment dated September 15, 2008, partly accepted the appeal by declaring that the levy and collection of infrastructure cess/fee prior to December 28, 2006, was illegal and ultra vires, while after December 28, 2006, it was legal and collected by the Excise Department in accordance with the law. The appeal challenges the declaration that the infrastructure cess/fee collected after December 28, 2006, was lawful. The Province of Sindh and the Excise and Taxation Department have also appealed against the judgment. The Honourable Supreme Court consolidated both appeals and set them aside. Subsequently, the law has been challenged in a constitutional petition in the Honourable Sindh High Court, Karachi. The Honourable High Court granted a stay on May 31, 2011, requiring payment of 50% of the cess to the Excise Department and furnishing a bank guarantee for the remaining 50%. The matter is pending adjudication, and the stay order remains in effect.

d) The Competition Commission of Pakistan, in an order dated August 27, 2009, imposed a penalty on twenty cement factories in Pakistan at a rate of 7.5% of their turnover. The penalty imposed on MLCFL amounts to Rupees 586.190 million. The Commission alleges a violation of section 4(1) of the Competition Commission Ordinance, 2007. However, following the abeyance by the Honourable Islamabad High Court pursuant to the Supreme Court of Pakistan's judgment dated July 31, 2009, the petition has become infructuous. MLCFL has filed writ petition no. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the Group's legal advisor are confident that the case's ultimate outcome will be in the Group's favor.

e) Surcharge of Rupees 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which MLCFL has filed writ petition against Government of the Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition and remanded the case back to the department since the matter was being reviewed by the relevant authority. Management and MLCFL's legal advisor are confident that the ultimate outcome of this case will be in favour of MLCFL.

f) The Federal Board of Revenue (FBR) selected MLCFL's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated February 10, 2021 issued by the office of the Commissioner Inland Revenue (CIR). Subsequently, the Deputy CIR issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated March 31, 2021 through which an aggregate sales tax demand of Rupees 1,399.890 million was created against MLCFL. MLCFL preferred an appeal against the above referred order which was disposed of by the Commissioner Inland Revenue (Appeals) [CIR(A)] vide appellate order dated July 15, 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of MLCFL. Regarding the issues decided against MLCFL, MLCFL is in the process of preferring an appeal before the Appellate Tribunal Inland Revenue (ATIR). No provision has been made in these consolidated financial statements as the management and MLCFL's legal advisor are confident that MLCFL is likely to obtain relief from the appellate authorities.

g) The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated March 22, 2018 raised demand of Rupees 256 million against MLCFL, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by MLCFL. Being aggrieved, MLCFL filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. MLCFL also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition no. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated May 23, 2018. The writ petition is pending adjudication. MLCFL and the tax/legal advisor of MLCFL are expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

h) MLCFL was selected for audit under section 42B of Sales Tax Act, 1990 for tax period July 2017 to June 2018 intimated by letter dated December 8, 2020. The DCIR finalized the audit and created a demand of Rupees 690.520 million along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, MLCFL preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, MLCFL preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of MLCFL are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

i) MLCFL received show cause notice, dated April 17, 2022 as per which it was alleged that MLCFL's claim of input sales tax amounting to Rupees 85.980 million, for the tax periods January 2017 to August 2019, was illegal. MLCFL responded to the notice vide letter dated April 25, 2022. The proceedings were concluded by the DCIR and demand of Rupees 85.980 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, MLCFL preferred an appeal before the CIR(A), which is pending adjudication. The management of MLCFL is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

j) MLCFL received show cause notice dated April 7, 2022 as per which it was alleged that MLCFL's claim of input sales tax, amounting to Rupees 620.980 million, for the tax periods July 2019 to November 2021 was illegal. MLCFL responded to the notice vide letter dated March 25, 2022. The proceedings were concluded by the DCIR and demand of Rupees 580.060 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022 passed under section 11 of the Sales Tax Act 1990. Being aggrieved, MLCFL preferred an appeal before the CIR(A), which has been decided by CIR(A) vide order dated November 8, 2022. Department has preferred an appeal before learned ATIR against the order of CIR(A). The management of MLCFL is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these consolidated financial statements.

k) MLCFL received a demand notice dated February 17, 2011, from the Director General Mines and Minerals, Punjab, imposing a 1% per day penalty of Rupees 244.784 million for late payment of royalty. MLCFL has appealed to the Court of Secretary Mines, challenging the legality of the Mining Department’s rules regarding the harsh penalty. Additionally, MLCFL has filed Writ Petition No. 16877 of 2024 in the Lahore High Court, which granted interim relief restraining the respondents from recovering the penalty. The petition is currently pending adjudication. The management is hopeful of a favorable outcome, so no provision has been recorded in these consolidated financial statements.

l) Various notices have been issued to MLCFL by different tax authorities, requiring MLCFL to explain its position regarding, allegedly, fake input sales tax credits claimed by a few suppliers of coal who supplied coal to MLCFL. MLCFL has responded to all such notices about its legal position, stating that it was in compliance with all applicable provisions of the Sales Tax Act, 1990, regarding these transactions, and has provided supporting documents to the relevant tax authorities. There have been no further correspondences on the above notices, except for cases in which demand has been raised by the Large Taxpayer Unit (LTO) Lahore. LTO Lahore has issued orders numbered 22/2024, 23/2024, and 28/2024, dated June 14, 2024, June 16, 2024, and June 22, 2024, respectively, raising demands amounting to Rupees 25.797 million, Rupees 302.606 million, and Rupees 379.040 million. Subsequent to the year end, MLCFL has received three additional orders numbered 31/2024, 04/2024 and 06/2024, dated July 2, 2024, July 19, 2024 and August 30, 2024, respectively, for demands amounting to Rupees 97.446 million, Rupees 31.010 million and Rupees 19.932 million. MLCFL has filed appeals against all these cases before the Appellate Tribunal Inland Revenue (ATIR), which are pending adjudication. MLCFL and its tax advisor are confident that the ultimate outcome of the cases will be in MLCFL's favor. Therefore, no provision has been recognized in these consolidated financial statements.

m) The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated March 13, 2019 against MLCFL under section 122(5A) read with section 122(9) of the Income Tax Ordinance, 2001 ('Ordinance'). The notice was duly responded by tax advisor of MLCFL. The proceedings were concluded and ACIR raised an additional tax demand of Rupees 303.36 million through amendment order dated January 27, 2020 passed under section 122(5A) of the Ordinance. MLCFL preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ('CIR(A)'). The CIR(A) through his order dated May 6, 2020, decided all the matters in favour of MLCFL except for issues relating to claim of depreciation and initial allowance without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. MLCFL, as well as the tax authorities, have preferred appeals before the Appellant Tribunal Inland Revenue ('ATIR'), which are pending for adjudication at the year end. However, being prudent MLCFL has recorded the provision of Rupees 46.880 million in these cosolidated financial statements. Management of MLCFL is confident of favorable outcome of the case. Therefore, no further provision has been incorporated in these consolidated financial statements.

n) Through notices dated February 26, 2021, the Commissioner Inland Revenue (CIR) selected MLCFL's case for audit of its income tax affairs for the tax years 2015, 2016, 2017, 2018 & 2019. MLCFL challenged the vires of selection by the CIR before the honourable Lahore High Court, Lahore ('LHC') and the honourable LHC, vide interim order dated April 1, 2021, has directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition. Subsequently, the tax authorities issued show cause notices under section 122(9) & section 111 of the Ordinance dated June 11, 2021 and June 25, 2021 respectively, for all five tax years which are yet to be responded to. The matter is pending before the honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal.

o) Through notice dated October 9, 2020, the ACIR initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. MLCFL requested ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to MLCFL through audit proceedings. There has been no further correspondence from the department on this score. Through notice dated June 9, 2023, the ACIR, re-initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. The proceedings were concluded by ACIR vide order dated October 5, 2023. Aggrieved by the order, MLCFL preferred an appeal before the CIR(A) which is pending for adjudication.

p) Through notice dated May 21, 2020, the ACIR initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance. The notice was duly responded through letter dated August 25, 2020 for tax year 2018. The above proceedings were concluded by the ACIR through amendment order dated September 2, 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rupees 376.182 million was created against MLCFL. MLCFL preferred an appeal against the amendment order before CIR(A). The CIR(A), through appellate order dated December 30, 2020, decided all the matters in favour of MLCFL except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. MLCFL, as well as the tax authorities, have preferred appeals before the ATIR, which is pending adjudication.

q) The Deputy Commissioner Inland Revenue (DCIR) issued an appeal effect order on July 31, 2017, for the tax year 2015 under sections 124/129 of the Income Tax Ordinance, 2001, implementing an earlier order by CIR(A). However, the DCIR made certain errors in this order, which were challenged before CIR(A) in a second round of appeals.

In 2020, CIR(A) issued an order on April 17, 2020, addressing issues related to the enhancement of minimum tax liability and the apportionment of admissible deductions, totaling Rupees 180 million, against MLCFL. Aggrieved with this decision, MLCFL appealed to the ATIR, and the case is currently pending adjudication. MLCFL's management and tax advisor are optimistic about a favorable outcome, and thus, no provision has been created in these cosolidated financial statements.

r) The Deputy Commissioner Inland Revenue, Audit – 2, Zone I, Large Taxpayers Unit, Lahore passed an appeal effect order dated July 31, 2017 under section 124/129 of the Ordinance for tax year 2015, giving effect to an earlier order passed by CIR(A). While passing the order, the assessing officer made certain errors which were assailed before CIR(A) in second round of appeal. The CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions against MLCFL. Being aggrieved by the order of CIR(A), MLCFL has preferred an appeal before the ATIR, which is pending adjudication. On the basis of available valid precedents, we consider that MLCFL is likely to obtain relief from the appellate authorities.

s) Through order dated December 27, 2016, the deemed assessment for the tax year 2015 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rupees 241.736 million against MLCFL. Being aggrieved with the order, MLCFL filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through his order dated January 1, 2017. All the issues involved in the appeal were decided in favour of MLCFL except for the issue of inclusion of exchange gain relating to export sales for the purposes of computing apportionment ratios. Departmental appeal before the ATIR in the matter of CIR(A) order dated January 5, 2017, for the subject tax year was taken up for hearing and disposed of in a slipshod manner vide an order dated February 27, 2024. Aggrieved by the order, MLCFL filed an application for rectification of such consolidated order, which has been decided through order dated May 6, 2024 whereby it has been held that the departmental appeal for tax year 2015 would be re-fixed for fresh adjudication. The appeal has not been fixed for fresh adjudication yet.

t) Through order dated July 31, 2017, the deemed assessment for the tax year 2016 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rupees 1,129.967 million against MLCFL. Being aggrieved with the order, MLCFL filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through appellate order dated December 5, 2017. Through such order all the issues involved in the appeal were decided in favour of MLCFL. Aggrieved by such appellate order, the tax departement filed an appeal before the ATIR which was decided vide order dated March 19, 2024, whereby the issues assailed in the appeal were partially decided in the favour of MLCFL. Aggrieved by the order, MLCFL filed an application for rectification of the appellate order, which was partially modified in favour of MLCFL vide order dated May 14, 2024. Simultaneously, MLCFL also assailed ATIR's order dated March 19, 2024 in appeal before the honourable Lahore High Court which is pending adjudication.

u) For tax year 2021, MLCFL received a notice dated January 20, 2022, whereby the ACIR initiated proceedings against MLCFL under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. MLCFL responded to the notice vide letter dated June 23, 2022. The ACIR concluded the proceedings vide amendment order dated August 5, 2022, through which the income tax refund has been curtailed to Rupees 862.510 million. Being aggrieved, MLCFL filed an appeal against the amendment order before the CIR(A) that was disposed of vide order dated February 7, 2024 though which partial relief was granted. Aggrieved by such order, MLCFL has preferred an appeal before the ATIR which has not been taken over for hearing yet.

v) MLCFL filed writ petition challenging the legality and validity of amendments made in the Section 65B of the Ordinance through Finance Act, 2019 whereby rate of tax credit under Section 65B of the Ordinance for the tax year 2019 was reduced from 10% to 5%. Total amount of tax credit involved in the titled petition is Rupees 1,757,292,581. The said petition is pending before Lahore High Court and next date is yet to be fixed for hearing.

w) During the year, the Deputy Commissioner Inland Revenue (DCIR) issued a series of show cause notices to MLCFL spanning the tax years 2017 through 2022, requiring MLCFL to provide details and clarification of the annual statement of tax collected or deducted under

Rule 44 of the Income Tax Rules, 2002 for each tax year. MLCFL fully complied with the notices, and the assessing officer finalized the proceedings, creating demands under Section 161 of the Income Tax Ordinance, 2001 for the tax years 2017, 2018, 2019, 2020, 2021, and 2022 amounting to Rupees 718.175 million, Rupees 349.742 million, Rupees 423.566 million, Rupees 271.714 million, Rupees 1,387.967 million and Rupees 168.650 million, inclusive of default surcharge, respectively. Further, refunds of Rupees 161.720 million for the tax year 2017, Rupees 23.617 million for the tax year 2018, and Rupees 43.611 million for the tax year 2019 are standing in MLCFL's financial statements. Consequently, the total exposure as of 30 June 2024, stands at Rupees 879.895 million, Rupees 373.359 million, Rupees 467.177 million, Rupees 271.714 million, Rupees 1,387.967 million and Rupees 168.650 million for the tax years 2017, 2018, 2019, 2020, 2021, and 2022, respectively. Aggrieved by these orders, MLCFL filed appeals before the Commissioner Inland Revenue - Appeals (CIR-A). After the Tax Laws Amendment Act 2024, the appeal was transferred to the Appellate Tribunal Inland Revenue (ATIR). The ATIR granted a conditional stay against the recovery proceedings until June 14, 2024. An appeal was filed in the Lahore High Court, which directed the ATIR to rectify its earlier order. The order of the ATIR is awaited. Based on the advice of the taxation/legal advisors of MLCFL, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

x) Guarantees given by banks on behalf of MLCFL are of Rupees 1,587.10 million (2023: Rupees 1,101.35 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

Subsidiary Company - Maple Leaf Power Limited

a) The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to MLPL on November 29, 2022, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Sales Tax Act, 1990 (the 'Act') for the tax period from July 2019 to June 2020. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 491.522 million.

b) The DCIR issued a show cause notice to MLPL on November 29, 2022, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2020 to June 2021. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 500.060 million. Aggrieved by the order, MLPL filed an appeal before the CIR-A. The CIR-A heard the case and issued an order partially remanding it back to the department. MLPL has contested the CIR-A’s decision before the ATIR, and the case is still pending a hearing before the ATIR.

c) The DCIR issued a show cause notice to MLPL on March 16, 2021, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2017 to December 2020. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs 843.580 million. Aggrieved by the order, MLPL filed an appeal before the CIR-A. The CIR-A confirmed the department’s treatment to the tune of Rupees 580.286 million and annulled the remaining demand. MLPL contested the CIR-A’s decision before the ATIR, which remanded the order back to the department. MLPL then appealed to the Lahore High Court (LHC), which also remanded the case back to the department. The DCIR restarted the proceedings and issued a notice. MLPL fully complied, and the DCIR passed an impugned order amounting to Rupees 158.150 million, against which MLPL appealed before the CIR-Appeals. Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The case is still pending a hearing before the ATIR.

d) The DCIR issued a show cause notice to MLPL on March 18, 2021, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2016 to July 2017. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 182.831 million. Aggrieved by the order, MLPL filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment to the tune of Rupees 96.352 million and annulled the remaining demand. MLPL contested the CIR-A's decision before the ATIR, which remanded the order back to the department. The DCIR again finalised the proceedings and raised a demand of Rupees 182.831 million. Being aggrieved by the order of DCIR, MLPL then appealed to the Lahore High Court (LHC), which also remanded the case back to the department. The DCIR restarted the proceedings and issued a notice. MLPL fully complied, and the DCIR passed an impugned order, against which MLPL appealed before the CIR-Appeals. Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The case is still pending a hearing before the ATIR.

e) The DCIR issued a show cause notice to MLPL on November 16, 2021, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2019 to August 2019. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 6.792 million. Aggrieved by the order, MLPL filed an appeal before the CIR-A. The CIR-A heard the case and confirmed the department's treatment. MLPL contested the CIR-A's decision before the ATIR, which confirmed the order. Aggrieved, MLPL has preferred an appeal before the Lahore High Court.

Based on the advice of the taxation / legal advisors of the Subsidiary Companies (MLCFL / MLPL), the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

19.2 Commitments in respect of:

a) Contracts for capital expenditures amounting to Rupees 16.366 million (2023: Rupees 61.542 million).

b) Letters of credit for capital expenditure amount to Rupees 2,518.470 million (2023: Rupees 3,858.200 million).

c) Letters of credit other than for capital expenditure amounting to Rupees 3,049.417 million (2023: Rupees 3,662.414 million).

d) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 1,723.082 million (2023: Rupees 779.393 million).

	2024	2023
	(Rupees in thousand)	
20. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 20.1)	87,531,971	80,217,655
Capital work in progress (Note 20.2)	2,068,220	3,046,642
Major spare parts and stand-by equipments (Note 20.3)	48,281	238,239
Right of use assets (Note 20.4)	86,852	43,112
	89,735,324	83,545,648

20.1 Operating fixed assets

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixtures	Office equipment	Vehicles	Quarry equipment	Share of joint assets	Spares held for capital expenditure	Total
	---------- (Rupees in thousand) ----------													
At 30 June 2022														
Cost / revalued amount	3,960,324	57,733	18,026,631	232,064	66,736,077	83,828	160,260	687,215	87,153	782,202	192,244	6,000	-	91,011,731
Accumulated depreciation	-	(10,067)	(5,884,732)	(135,671)	(29,772,812)	(44,857)	(124,820)	(497,337)	(41,692)	(360,368)	(174,483)	(5,808)	-	(37,052,647)
Net book value	3,960,324	47,666	12,141,899	96,393	36,963,265	38,971	35,440	189,878	45,461	421,834	17,761	192	-	53,959,084
Year ended 30 June 2023														
Opening net book value	3,960,324	47,666	12,141,899	96,393	36,963,265	38,971	35,440	189,878	45,461	421,834	17,761	192	-	53,959,084
Additions	-	-	85,711	-	382,664	16,021	14,271	55,398	5,970	59,369	1,900	-	-	621,304
Transfers from:														
Capital work in progress (Note 20.2)	2,450	-	6,556,155	143,749	20,737,970	-	-	6,340	-	461,355	-	-	-	27,908,019
Investment properties	1,799,335	25,025	-	-	-	-	-	-	-	-	-	-	-	1,824,360
	1,801,785	25,025	6,556,155	143,749	20,737,970	-	-	6,340	-	461,355	-	-	-	29,732,379
Disposals:														
Cost / revalued amount	-	-	-	-	(86,872)	-	(1,353)	(476)	-	(77,676)	-	-	-	(166,377)
Accumulated depreciation	-	-	-	-	46,136	-	855	310	-	53,870	-	-	-	101,171
	-	-	-	-	(40,736)	-	(498)	(166)	-	(23,806)	-	-	-	(65,206)
Depreciation charge	-	(1,064)	(853,815)	(43,492)	(2,969,398)	(3,752)	(11,286)	(30,206)	(4,581)	(99,868)	(12,252)	(192)	-	(4,029,906)
Closing net book value	5,762,109	71,627	17,929,950	196,650	55,073,765	51,240	37,927	221,244	46,850	818,884	7,409	-	-	80,217,655
At 30 June 2023														
Cost / revalued amount	5,762,109	82,758	24,668,497	375,813	87,769,839	99,849	173,178	748,477	93,123	1,225,250	194,144	6,000	-	121,199,037
Accumulated depreciation	-	(11,131)	(6,738,547)	(179,163)	(32,696,074)	(48,609)	(135,251)	(527,233)	(46,273)	(406,366)	(186,735)	(6,000)	-	(40,981,382)
Net book value	5,762,109	71,627	17,929,950	196,650	55,073,765	51,240	37,927	221,244	46,850	818,884	7,409	-	-	80,217,655
Year ended 30 June 2024														
Opening net book value	5,762,109	71,627	17,929,950	196,650	55,073,765	51,240	37,927	221,244	46,850	818,884	7,409	-	-	80,217,655
Revaluation surplus (Note 5)	2,160,063	-	-	-	-	-	-	-	-	-	-	-	-	2,160,063
Additions	543,858	-	-	55,451	695,040	8,761	83,987	103,836	8,425	508,137	-	-	999,991	3,007,486
	-													
Transfers from capital work in progress (Note 20.2)	-	-	1,697,976	225,420	5,833,617	1,094	-	-	-	101,023	-	-	-	7,859,130
Disposals:														
Cost / revalued amount	-	-	-	-	(336,211)	-	(3,575)	(250)	(412)	(127,493)	-	-	-	(467,941)
Accumulated depreciation	-	-	-	-	102,432	-	3,469	209	307	83,965	-	-	-	190,382
	-	-	-	-	(233,779)	-	(106)	(41)	(105)	(43,528)	-	-	-	(277,559)
Depreciation charge	-	(1,532)	(1,162,159)	(51,048)	(3,861,281)	(16,317)	(24,836)	(43,679)	(4,766)	(198,954)	(2,465)	-	(67,767)	(5,434,804)
Closing net book value	8,466,030	70,095	18,465,767	426,473	57,507,362	44,778	96,972	281,360	50,404	1,185,562	4,944	-	932,224	87,531,971
At 30 June 2024														
Cost / revalued amount	8,466,030	82,758	26,366,473	656,684	93,962,285	109,704	253,590	852,063	101,136	1,706,917	194,144	6,000	999,991	133,757,775
Accumulated depreciation	-	(12,663)	(7,900,706)	(230,211)	(36,454,923)	(64,926)	(156,618)	(570,703)	(50,732)	(521,355)	(189,200)	(6,000)	(67,767)	(46,225,804)
Net book value	8,466,030	70,095	18,465,767	426,473	57,507,362	44,778	96,972	281,360	50,404	1,185,562	4,944	-	932,224	87,531,971
Depreciation rate (%)	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	10	

20.1.1 Freehold land of the Holding Company was revalued by an independent valuer Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2024. Book value of freehold land on cost basis is Rupees 705.914 million (2023: Rupees 705.914 million) as on 30 June 2024. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963.401 million (2023: Rupees 3,861.708 million). Forced sale value of freehold land of the Holding Company at 30 June 2024 was Rupees 5,668.918 million (2023: Rupees 3,882.480 million). Freehold land of MLCFL was revalued by independent valuer as at 30 June 2024. Had there been no revaluation, the net book value of freehold land of MLCFL would have been Rupees 824.604 million (2023: Rupees 824.604 million). Forced sale value at 30 June 2024 was Rupees 1,082.156 million (2023: Rupees 953.630 million).

20.1.2 Ownership of the housing colony's assets included in the operating fixed assets of the subsidiary Company, MLCFL is shared by the MLCFL jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

20.1.3 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of purchasers
	--------------------------(Rupees in thousand)				---------------------------------------		
Plant and machinery							
Wood Boiler - England Wel Cock M-10223	16,024	11,771	4,253	3,814	(439)	Negotiation	Bio Products Trading (Private) Limited, Sahiwal
Emb Quilt Mach Multi-Needle Coverlet Quilting - China - Cshx 2- 33-0788	3,712	2,675	1,037	1,230	193	Negotiation	Nabeel Computerized Quilting, Faisalabad
Dryer Refriger	2,300	648	1,652	720	(932)	Negotiation	M/S AirMec, Lahore
Dryer Refrigerant Fd-1600 96 M3/Min Belgium Atlas Copc	1,862	694	1,168	678	(490)	Negotiation	M/S AirMec, Lahore
Cooper Compressor TA 3000 With Dryer	23,431	11,336	12,095	2,966	(9,129)	Negotiation	M/S AirMec, Lahore
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	Negotiation	M/S.Muhammad Hayat Contractor
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	Negotiation	M/S.Muhammad Hayat Contractor
Cables And Cable Trays	59,194	52,561	6,633	9,998	3,365	Negotiation	Mr. Ashiq
Complete Tertiary Air Duct	7,891	5,284	2,607	4,138	1,531	Negotiation	Mr. Abdur Rasheed
Roller Segment	12,585	2,329	10,256	6,600	(3,656)	Negotiation	Mr. Abdur Rasheed
Table Wear Segment	8,315	1,539	6,776	4,361	(2,415)	Negotiation	Mr. Abdur Rasheed
Gear Unit	837	193	644	526	(118)	Negotiation	Mr. Abdur Rasheed
Hmi For Loader	1,056	59	997	3	(994)	Negotiation	Mr. Abdur Rasheed
Lid For Explosion Door	3,897	896	3,001	2,447	(554)	Negotiation	Mr. Abdur Rasheed
Hoisting Damper Tongue For Tad Duct	2,519	142	2,377	2,884	507	Negotiation	Mr. Abdur Rasheed
	152,531	94,707	57,824	41,661	(16,163)		
Vehicles							
Honda Civic ABV-683	2,771	1,855	916	4,308	3,392	Auction	Muhammad Jahanzeb, the Holding Company's employee, Rawalpindi
Honda Civic ABY-626	2,771	1,855	916	4,100	3,184	Auction	Mr. Nisar Ahmed, Rawalpindi
Honda Civic 1.8L Orix BJ-502	2,645	2,040	605	3,250	2,645	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Black RI-16-799	2,074	1,482	592	3,550	2,958	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Black RI-16-299	1,922	1,373	549	2,800	2,251	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla LEF-3523	1,750	1,097	653	2,515	1,862	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla LE-16A-7170	1,292	731	561	3,175	2,614	Auction	Mr. Nisar Ahmed, Rawalpindi
Toyota Corolla Sliver RIB-16-699	2,022	1,451	571	2,700	2,129	Insurance	E.F.U. General Insurance Limited
Honda Civic Turbo LEB-16A-551	3,079	2,129	950	2,332	1,382	As per Group's Policy	Mr. Ali Imran, the Group's employee, Lahore
Suzuki Cultus 5657	1,571	1,004	567	1,509	942	As per Group's Policy	Mr. Rafique Ahmad Khan, the Holding Company's employee, Lahore
Suzuki Cultus 9697	1,590	1,023	567	1,241	674	As per Group's Policy	Mr. Abdul Rauf, the Holding Company's employee, Lahore
Toyota Prado	12,780	10,988	1,792	9,500	7,708	As per Group's Policy	Mr. Mohsin Raza Naqvi, Key Management Personnel
Honda Civic	2,930	1,915	1,015	2,900	1,885	As per Group's Policy	Mr. Tariq Ahmed Mir, Key Management Personnel
Honda Civic	2,929	1,943	986	2,870	1,884	As per Group's Policy	Mr. Amer Bilal, Key Management Personnel
Honda Civic	2,927	1,953	974	2,850	1,876	As per Group's Policy	Mr. M.Basharat, Key Management Personnel
Toyota Corolla	2,918	1,939	979	2,810	1,831	As per Group's Policy	Mr. Nasir Iqbal, Key Management Personnel
Honda Civic Oriel	2,929	1,964	965	2,910	1,945	As per Group's Policy	Mr. Zeeshan Malik Bhutta, Key Management Personnel
Audi	6,587	4,802	1,785	6,450	4,665	As per Group's Policy	Mr. Sohail Sadiq, Key Management Personnel
Audi	6,538	4,760	1,778	6,500	4,722	As per Group's Policy	Mr. Yahya Hamid, Key Management Personnel
Suzuki Cultus	1,603	1,061	542	1,520	978	As per Group's Policy	Mr. Nauman Javaid
Honda Civic	2,930	1,943	987	2,630	1,643	As per Group's Policy	Mr. Abdul Hanan Khan
Honda Civic	2,827	1,262	1,565	2,040	475	As per Group's Policy	Mr. Sohaib Khakwani
Toyota Corolla	2,465	1,639	826	3,500	2,674	As per Group's Policy	Mr. Aslam Khan
Suzuki Cultus	2,350	1,061	1,289	2,400	1,111	As per Group's Policy	Mr. Muhammad Usman Javaid
Suzuki Cultus	2,350	1,057	1,293	2,400	1,107	As per Group's Policy	Mr. Zeeshan Ali Ahmed
Toyota Corolla	7,779	-	7,779	7,510	(269)	As per Group's Policy	Mr. Malik Asghar Ali
Suzuki Cultus LEA-20-2100	2,036	1,193	843	1,522	678	Negotiation	Mr. Imran Malik, the MLCL's employee, Lahore.
Kia Picanto LE-20-4774	2,111	1,237	874	1,362	488	Negotiation	Mr. Farrukh Awan, the MLCL's employee, Lahore.
Suzuki Cultus LE-20-8633	2,016	1,181	835	1,517	683	Negotiation	Mr. Syed Adil Hussain, the MLCL's employee, Lahore.
Toyota Corolla Altis LEC-19-1920	2,696	1,787	909	2,130	1,220	Negotiation	Mr. Haroon Farooq, the MLCL's employee, Lahore.
	95,188	59,724	35,464	96,801	61,337		
	247,719	154,431	93,288	138,462	45,174		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	220,222	35,951	184,271	279,128	94,857		
	467,941	190,382	277,559	417,590	140,031		

		2024	2023
		(Rupees in thousand)	

20.1.4 Depreciation charged during the year has been allocated as follows:

		2024	2023
Cost of sales	34	5,186,200	3,876,739
Distribution cost	35	44,663	28,358
Administrative expenses	36	224,439	135,461
	20.1.5	5,455,302	4,040,558

20.1.5 Depreciation expense also includes depreciation on right of use assets as mentioned in note 20.4.

20.1.6 Particulars of immovable properties (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total Area (Acres)
Peshawar Road, Rawalpindi	Manufacturing facilities	64.68
	Residential and offices	56.58
	Land	43.95
8 KM, Manga Raiwind Road, District Kasur	Manufacturing facilities	13.22
	Residential and offices	8.11
	Land	11.24
Gulyana Road, Gujar Khan, District Rawalpindi	Manufacturing facilities	13.18
	Residential and offices	23.96
	Land	13.54
42-Lawrence Road, Lahore	Land	4.69
Iskanderabad, District Mianwali	Manufacturing facilities and offices	1,268.13
		1,521.28

20.2 Capital work in progress

	NOTE	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
		------------ RUPEES IN THOUSAND ------------			
At 30 June 2022		3,783,549	11,723,011	1,686,348	17,192,908
Add: Additions during the year		3,493,566	10,081,623	186,564	13,761,753
Less: Transferred to operating fixed assets during the year	20.1	(6,688,138)	(20,379,551)	(840,330)	(27,908,019)
At 30 June 2023		588,977	1,425,083	1,032,582	3,046,642
Add: Additions during the year		2,324,205	3,308,367	1,248,136	6,880,708
Less: Transferred to operating fixed assets during the year	20.1	(1,923,396)	(4,237,090)	(1,698,644)	(7,859,130)
At 30 June 2024	20.2.1	989,786	496,360	582,074	2,068,220

20.2.1 This includes borrowing cost amounting to Rupees 7.564 million (2023: Rupees 1,083 million) capitalized during the year at effective rate of 3% to 23.38% (2023: 2.50% to 23.69%) per annum.

20.3 This represents stores held for capital expenditure related to Group's expansion project.

	Note	2024	2023
		(Rupees in thousand)	

20.4 Right of use assets

The reconciliation of carrying amount is as follows:			
Balance at the beginning of the year		43,112	36,098
Additions during the year		66,056	17,666
Disposal during the year		(1,818)	-
Depreciation charged during the year		(20,498)	(10,652)
Balance at the end of the year		86,852	43,112

21. INTANGIBLES - computer softwares

Intangible assets	21.1	84,811	6,947

21.1 Intangible assets

Cost			
At beginning of the year		90,671	90,671
Additions during the year		89,828	-
At end of the year		180,499	90,671
Accumulated amortization			
At beginning of the year		83,724	80,256
Amortization for the year	21.2	11,964	3,468
At end of the year		95,688	83,724
Net book value		84,811	6,947
Amortization rate per annum		33%	33%

21.2 Amortization charged for the year has been allocated as follows:

Cost of sales	34	5,883	493
Administrative expenses	36	6,081	2,975
		11,964	3,468

22. LONG TERM LOANS TO EMPLOYEES - Secured

House building		29,518	3,610
Vehicles		2,205	1,761
Others		19,599	23,637
		51,322	29,008
Less: Current portion shown under current assets	28	(20,094)	(10,919)
		31,228	18,089

22.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2023: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

22.2 These include loans to executives amounting to Rupees 18.508 million (2023: Rupees 8.090 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balance is Rupees 19.953 million (2023: Rupees 9.630 million).

	Note	2024	2023
		(Rupees in thousand)	

23. LONG TERM INVESTMENTS

	Note	2024	2023
Equity instruments	23.1	344,101	82,007
Advance against purchase of shares	23.2	26,625	268,602
		370,726	350,609

23.1 Equity instruments - fair value through other comprehensive income

	Note	2024	2023
- Block Tech Limited - un-quoted	23.1.1	3,750	3,750
- Universal Network Systems Limited - quoted	23.1.2	-	63,257
- Core9 Ventures (Private) Limited - unquoted	23.1.3	42,750	15,000
- Convenience Stores (Private) Limited - unquoted	23.1.4	42,000	42,000
- Brigelinx Tech (Private) Limited - unquoted	23.1.5	255,601	199,977
- NayaPay (Private) Limited - unquoted	23.1.6	26,625	26,625
		370,726	350,609

23.1.1 Block Tech Limited - un-quoted

	2024	2023
325,000 (2023: 325,000) fully paid ordinary shares of Rupees 10 each. Equity held 15% (2023: 15%)	3,750	3,750

23.1.2 Universal Network Systems Limited - quoted

	2024	2023
Nil (2023: 1,028,572) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2023: 3.75%)	-	46,286
Fair value adjustment	-	16,971
	-	63,257

23.1.3 Core9 Ventures (Private) Limited - unquoted

	2024	2023
427,500 (2023: 150,000) fully paid ordinary shares of Rupees 100 each.	42,750	15,000

23.1.4 Convenience Stores (Private) Limited - unquoted

	2024	2023
280,000 (2023: Nil) fully paid ordinary shares of Rupees 100 each. Equity held 21.41% (2023: Nil)	42,000	-
Advance against purchase of shares	-	42,000
	42,000	42,000

23.1.5 Brigelinx Tech (Private) Limited - unquoted

	2024	2023
447,577 (2023: Nil) preference shares of BridgeLinx Logistics PTE Ltd - holding company of Bridgelinx Tech (Private) Limited, Equity held: 7.25% (2023: Nil)	255,601	-
Advance against purchase of shares	-	199,977
	255,601	199,977

23.1.5.1 The Subsidiary Company (MLCL) entered into agreement with Bridgelinx Tech (Private) Limited (incorporated under the laws of Pakistan) and BridgeLinx Technologies PTE Ltd (incorporated under the laws of Singapore). Against the investment of the Company in Bridgelinx Tech (Private) Limited, preference shares of BridgeLinx Logistics PTE Ltd - holding company of Bridgelinx Tech (Private) Limited have been issued in favour of the MLCL.

23.1.6 NayaPay (Private) Limited - unquoted

	2024	2023
Advance against purchase of shares	26,625	26,625

23.1.6.1 As on 25 February 2022, the Subsidiary Company, MLCL has entered into an agreement with NayaPay (SMC-Private) Limited (incorporated under the laws of Pakistan) and NayaPay Technologies Limited (incorporated under the laws of Dubai). MLCL has agreed to make an investment of US dollars 150,000 in Pak Rupees equivalent in the designated bank account of NayaPay (SMC-Private) Limited by no later than 07 March 2022. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act,1947, MLCL will take up shares of NayaPay Technologies Limited. NayaPay (SMC-Private) Limited will issue shares of the equivalent value in favour of NayaPay Technologies Limited and in consideration of those shares, NayaPay Technologies Limited will issue shares of equal value in favour of the MLCL. This investment is subject to the compliance with the applicable laws of Pakistan, applicable laws of Dubai and approval from State Bank of Pakistan under forex laws of Pakistan.

23.1.7 The management of the Subsidiary Company has appointed an independent valuer to assess the fair values of unquoted investments classified as fair value through other comprehensive income (FVTOCI). Based on the valuation performed by the independent valuer, the management has assessed that fair values of these unquoted (FVTOCI) investments are approximately equal to their cost. Therefore, fair value adjustment has not been recognized in these financial statements.

24. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections, regulatory authorities and others.

	Note	2024	2023
		(Rupees in thousand)	
25. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		9,684,496	6,752,091
Spare parts		4,191,165	4,761,038
Loose tools		25,279	25,124
		13,900,940	11,538,253
Less: Provision against slow moving stores, spare parts and loose tools	25.1	(11,289)	(6,566)
	25.2	13,889,651	11,531,687
25.1 Provision against slow moving stores and spares			
As at 01 July		6,566	3,772
Add: Provision for the year	37	4,723	2,794
As at 30 June		11,289	6,566

25.2 This includes stores in transit of Rupees 89.45 million (2023: Rupees 290.37 million).

	Note	2024	2023
		(Rupees in thousand)	
26. STOCK-IN-TRADE			
Raw materials	26.1&26.2	2,797,711	4,293,656
Packing materials		471,239	1,160,640
Work-in-process		3,777,829	3,228,006
Finished goods	26.3	3,016,245	3,999,435
		10,063,024	12,681,737
Provision against obsolete stock-in-trade		(3,904)	(3,904)
		10,059,120	12,677,833

26.1 Raw materials include stock in transit of Rupees 104.578 million (2023: Rupees 85.971 million). Further, raw materials of Rupees 361.801 million (2023: Rupees 20.772 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 4.501 million (2023: Rupees 0.619 million).

26.2 Raw materials include stock amounting to Rupees 45.449 million (2023: Rupees 3.228 million) with external parties for processing.

26.3 Finished goods include stock in transit of Rupees 242.384 million (2023: Rupees 169.372 million). Further, finished goods of Rupees 519.040 million (2023: Rupees 432.802 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 19.150 million (2023: Rupees 28.737 million).

	Note	2024	2023
		(Rupees in thousand)	
27. TRADE DEBTS			
Considered good:			
Secured (against letters of credit)		2,216,709	2,507,272
Unsecured		9,102,685	4,907,967
		11,319,394	7,415,239
Less: Allowance for expected credit losses	27.2	(631,451)	(383,368)
		10,687,943	7,031,871

27.1 Holding Company recognized revenue from the sale of goods at the time of delivery, while payment is generally due within 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

	Note	2024	2023
		(Rupees in thousand)	
27.2 Allowance for expected credit losses			
Opening balance		383,368	175,090
Recognized during the year	37	248,830	232,790
Trade debts written off during the year		(747)	(24,512)
Balance at end of year		631,451	383,368

27.3 As at 30 June 2024, trade debts of Rupees 6,166.809 million (2023: Rupees 3,418.814 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2024	2023
	(Rupees in thousand)	
Upto 1 month	2,516,637	2,076,919
1 to 6 months	3,035,508	1,061,610
More than 6 months but less than one year	234,575	118,642
More than one year	380,090	161,643
	6,166,809	3,418,814

27.4 The majority of export debts of the Group are situated in Asia, Europe and America.

	Note	2024	2023
		(Rupees in thousand)	

28. LOANS AND ADVANCES - considered good

	Note	2024	2023
Loans and advances to employees			
Secured	28.1		
- Executives	28.2	8,645	2,883
- Other employees		2,075	1,943
- Current portion of long term loans to employees	22	20,094	10,919
		30,814	15,745
Unsecured			
- Executives	28.3	1,333	3,030
- Other employees		24,363	32,211
		25,696	35,241
		56,510	50,986
To government authorities	28.4	185,396	180,395
Advances to suppliers	28.5	825,229	919,327
Letters of credit		21,524	27,600
		1,088,659	1,178,308

28.1 These represent short term advances given to employees as per Group's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

28.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 44.015 million (2023: Rupees 6.176 million).

28.3 This includes loans to key management personnel (Mr. Muhammad Basharat and Mr. Yahya Hamid) amounting to Rupees 1.333 million (2023: Rupees 2.970 million). The maximum aggregate amount outstanding from key management personnel (Mr. Muhammad Basharat, Mr. Tariq Ahmed Mir, Mr. Nasir Iqbal, Mr. Amir Feroze, Mr. Sayeed Tariq Saigol, Mr. Sohail Sadiq, Mr. Syed Mohsin Raza Naqvi, and Mr. Yahya Hamid) at any time during the year, calculated with reference to month-end balances, is Rupees 29.534 million (2023: Rupees 3.370 million). Furthermore, no amount is due from other directors at the year-end (2023: Rupees Nil).

28.4 This represents amount paid to government under protest for various cases which have been decided in the Group's favour.

28.5 This includes an amount of Rupees 15.554 million (2023: Rupees 20.212 million) advanced to the Ministry of Railways for transportation of coal and cement.

	2024	2023
	(Rupees in thousand)	

29. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

	2024	2023
Security deposits	17,311	15,776
Margin against:		
- Letters of credit	65,210	18,078
- Bank guarantees	634,613	461,907
Prepayments	330,760	39,710
	1,047,894	535,471

	Note	2024	2023
		(Rupees in thousand)	

30. OTHER RECEIVABLES

Considered good:

Sales tax refundable		1,447,276	1,484,651
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		139,031	76,238
Duty draw back receivable		136,705	136,705
Margin deposits with brokers		218,169	129,554
Accrued interest		13,853	4,094
Unrealised gain on re-measurement of futures contracts - shares		29,055	6,118
Others		118,070	2,596
		2,121,785	1,859,582

31. SHORT TERM INVESTMENTS

FINANCIAL INSTRUMENTS			
Debt instruments			
Investment - Amortized cost	31.1	917,588	746,391
Equity instruments			
Investments - Fair value through profit or loss	31.2	15,058,714	7,840,590
Investments - Fair value through other comprehensive income	31.3	3,816,165	1,500,522
		18,874,879	9,341,112
		19,792,467	10,087,503

31.1 Debt instruments - amortized cost

Holding Company			
Term deposit receipts:	31.1.1		
- JS Bank Limited		6,960	6,960
- United Bank Limited		325,000	459,694
- The Bank of Khyber		163,299	-
		495,259	466,654
Add: Accrued markup		20,082	1,213
		515,341	467,867
Subsidiary Company - MLCFL	31.1.2&31.1.3		
Term deposit receipts - The Bank of Punjab		395,700	273,500
Add: Accrued markup		6,547	5,024
		402,247	278,524
		917,588	746,391

31.1.1 These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 19.00% to 20.50% (2023: 11.45% to 20.50%). These are under lien with the bank against guarantees given on behalf of the Group.

31.1.2 This represents term deposits having a maturity from one month to one year from March 13, 2024 till March 13, 2025 carrying mark-up at the rate ranging from 14.50% to 15.50% per annum (2023: 8.50% to 15.80%).

31.1.3 Term deposit receipts amounting to Rupees 384.5 million (2023 : Rs 264.5 million) are held as margin guarantees with commercial banks. These margins are restricted and, therefore, not available for general use by other entities within the Group. Of these, Rs 238.50 million (2023: Rs 26 million) have an original maturity of three months or less.

31.2 Investments - Fair value through profit or loss

	2024			2023		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	-----------------(RUPEES IN THOUSAND) -------------------					
Subsidiary Company - MLCL						
Mutual funds						
Mutual Funds 463 (2023: 463) units	7	-	7	6	-	6
Shares in listed companies						
Nishat Chunian Power Limited 2 ,093,334 (2023: 2) fully paid ordinary shares of Rupees 10 each	54,855	7,840	62,695	-	-	-
Mari Petroleum Company Limited 1 (2023: 100,583) fully paid ordinary shares of Rupees 10 each	2	1	3	167,070	(14,723)	152,347
Lucky Cement Limited 1 (2023: 396,853) fully paid ordinary shares of Rupees 10 each	1	-	1	182,171	25,022	207,193
Oil and Gas Development Company Limited 2,981,101 (2023: 1,000,001) fully paid ordinary shares of Rupees 10 each	323,361	80,191	403,552	92,157	(14,157)	78,000
Pakistan State Oil Company Limited 300,001 (2023: 1) fully paid ordinary shares of Rupees 10 each	50,752	(889)	49,863	-	-	-
MCB Bank Limited 2,215 (2023: 1,250,001) fully paid ordinary shares of Rupees 10 each	398	105	503	151,090	(8,002)	143,088
Supernet Limited 1,375,000(2023: 1,250,000) fully paid ordinary shares of Rupees 10 each	20,611	(6,848)	13,763	24,138	(3,526)	20,612
United Bank Limited 4,675,501 (2023: 1,800,001) fully paid ordinary shares of Rupees 10 each	758,689	439,362	1,198,051	218,706	(7,134)	211,572
Pakistan Petroleum Limited 499,750 (2023: 2,000,650) fully paid ordinary shares of Rupees 10 each	38,719	19,806	58,525	159,679	(41,360)	118,319
Meezan Bank Limited 2,310,501 (2023: 2,235,501) fully paid ordinary shares of Rupees 10 each	212,181	340,930	553,111	211,593	(18,513)	193,080
Systems Limited 6 (2023: 2,449,790) fully paid ordinary shares of Rupees 10 each	3	-	3	1,053,151	(65,077)	988,074
Engro Fertilizers Limited 2,988,696 (2023: 1) fully paid ordinary shares of Rupees 10 each	455,060	41,721	496,781	-	-	-
Fauji Fertilizer Company Limited 5,096,648 (2023: 1) fully paid ordinary shares of Rupees 10 each	773,896	58,795	832,691	-	-	-
Attock Refinery Limited 5,228,301 (2023: 5,028,301) fully paid ordinary shares of Rupees 10 each	927,715	910,503	1,838,218	873,168	(10,161)	863,007
Sazgar Engineering Works Limited 3,529.626 (2023: Nil) fully paid ordinary shares of Rupees 10 each	756,719	2,181,553	2,938,272	-	-	-
Bank AL Habib Limited 1,000,001 (2023: 1) fully paid ordinary shares of Rupees 10 each	102,985	9,195	112,180	-	-	-
The Organic Meat Company Limited 4,245,000 (2023: Nil) fully paid ordinary shares of Rupees 10 each	140,759	8,623	149,382	-	-	-
The Hub Power Company Limited 8,523,200 (2023: 1) fully paid ordinary shares of Rupees 10 each	777,613	612,351	1,389,964	-	-	-
Agritech Limited 38,670,001 (2023: 21,308,001) fully paid ordinary shares of Rupees 10 each	207,301	583,887	791,188	138,568	(46,091)	92,477
Pioneer Cement Limited 24,609,001 (2023: 24,609,001) fully paid ordinary shares of Rupees 10 each	2,131,878	2,018,430	4,150,308	1,484,661	647,217	2,131,878
TRG Pakistan Limited - Class 'A' 1 (2023: 4,036,802) fully paid ordinary shares of Rupees 10 each - associated Company	-	-	-	421,490	(49,579)	371,911
Other listed companies 451 (2023: 30,402,955) fully paid ordinary shares of Rupees 10 each	45	12	57	362,441	(17,949)	344,492
	7,733,543	7,305,568	15,039,111	5,540,083	375,967	5,916,050
Subsidiary Company - MLCFL						
Shares in listed company						
4,269,375 (2023: 4,269,375) fully paid ordinary shares of Rs 10 each	22,073	(2,477)	19,596	28,846	(6,773)	22,073
Mutual funds						
CDC-Trustee MCB Cash Management Optimizer	-	-	-	896,112	3,888	900,000
Alfalah GHP Money Market Fund	-	-	-	99,832	168	100,000
CDC-Trustee NBP Income Fund	-	-	-	898,088	4,373	902,461
	-	-	-	1,894,032	8,429	1,902,461
	7,755,623	7,303,091	15,058,714	7,462,967	377,623	7,840,590

31.2.1 Following shares are pledged against running finance facilities obtained by MLCL from the banking companies:

	2024	2023
	Number of shares	
Investee companies		
Attock Refinery Limited	3,725,500	4,390,500
Lucky Cement Limited	-	396,500
Engro Fertilizers Limited	1,200,000	-
Pioneer Cement Limited	20,250,000	24,600,000
Systems Limited	-	2,440,000
Pakistan State Oil Company Limited	300,000	-
Sazgar Engineering Works Limited	2,000,000	-
The Hub Power Company Limited	7,300,000	-
Bank Alfalah Limited	-	5,000,000
Mari Petroleum Company Limited	-	100,000
MCB Bank Limited	-	1,000,000
Meezan Bank Limited	1,300,000	1,500,000
Mughal Iron and Steel Industries Limited	-	1,000,000
Oil and Gas Development Company Limited	-	1,000,000
Pakistan Petroleum Limited	-	2,000,000
United Bank Limited	3,200,000	1,200,000

31.3 Investments - Fair value through other comprehensive income

	2024			2023		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	----------------(RUPEES IN THOUSAND) ------------------					
Subsidiary Company - MLCFL						
Shares in listed company						
Pioneer Cement Limited 17,321,046 (2023: 17,321,046) fully paid ordinary shares of Rupees 10 each	1,500,522	1,420,672	2,921,194	1,237,085	263,437	1,500,522
Agritech Limited 43,742,500 (2023: Nil) fully paid ordinary shares of Rupees 10 each	1,169,108	(274,137)	894,971	-	-	-
	2,669,630	1,146,535	3,816,165	1,237,085	263,437	1,500,522

	Note	2024	2023
		(Rupees in thousand)	
32. CASH AND BANK BALANCES			
Cash in hand		11,034	22,566
Cash at bank:			
- On current accounts	32.1	887,104	564,082
- On saving accounts	32.1, 32.2 & 32.3	750,867	1,010,406
		1,637,971	1,574,488
		1,649,005	1,597,054

32.1 The balances in current and deposit accounts include USD 417,622 (2023: USD 337,729), GBP Nil (2023: GBP 2,000) and Euro 2,000 (2023: Euro Nil).

32.2 The balances in saving accounts carry interest ranging from 6.00% to 20.55% (2023: 6.00% to 20.51%) per annum.

32.3 The balances in saving accounts include an amount of Rupees 35.155 million (2023: Rupees 191.488 million) held under lien against guarantees issued by the bank on behalf of the Group.

	Note	2024	2023
		(Rupees in thousand)	
33. REVENUE			
Revenue from contracts with customers:			
- Export sales		21,569,950	14,983,809
- Local sales	33.1&33.5	102,911,408	89,050,871
		124,481,358	104,034,680
Export rebate		131,616	84,992
		124,612,974	104,119,672
33.1 Local sales		133,494,268	115,753,630
Less:			
Sales tax		21,222,506	18,483,206
Federal excise duty		7,763,020	6,911,333
Commission		397,200	355,676
Discount		1,200,134	952,544
		102,911,408	89,050,871

33.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 47).

	Spinning		Weaving		Processing and Home Textile		Cement		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RUPEES IN THOUSAND									
Primary geographical markets										
Europe	-	-	3,166,321	2,107,104	4,185,907	3,959,339	-	-	7,352,228	6,066,443
United States of America and Canada	-	-	766,300	131,401	9,905,090	5,563,573	-	-	10,671,390	5,694,974
Asia, Africa, Australia	-	-	189,348	152,082	1,065,594	1,344,369	2,291,390	1,725,941	3,546,332	3,222,392
Pakistan	29,374,665	22,930,290	8,936,360	5,423,648	453,751	349,758	64,146,632	60,347,175	102,911,408	89,050,871
Export rebate and duty draw back	-	-	-	-	131,616	84,992	-	-	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	124,612,974	104,119,672
Major product / service lines										
Yarn	29,312,722	22,715,285	-	-	-	-	-	-	29,312,722	22,715,285
Greige fabric	-	-	13,026,816	7,793,880	-	-	-	-	13,026,816	7,793,880
Made-ups	-	-	-	-	14,616,700	10,539,667	-	-	14,616,700	10,539,667
Finished fabric	-	-	-	-	735,704	462,348	-	-	735,704	462,348
Processing income	-	-	-	-	206,219	184,597	-	-	206,219	184,597
Cement	-	-	-	-	-	-	66,438,022	62,073,116	66,438,022	62,073,116
Waste	61,943	215,005	31,513	20,355	51,719	30,427	-	-	145,175	265,787
Export rebate and duty draw back	-	-	-	-	131,616	84,992	-	-	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	124,612,974	104,119,672
Revenue from contracts with customers	29,374,665	22,930,290	13,058,329	7,814,235	15,610,342	11,217,039	66,438,022	62,073,116	124,481,358	104,034,680
Export rebate and duty draw back	-	-	-	-	131,616	84,992	-	-	131,616	84,992
	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	124,612,974	104,119,672
Timing of revenue recognition										
Products transferred at a point in time	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	124,612,974	104,119,672
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
External revenue as reported	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	124,612,974	104,119,672

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

33.4 The amount of Rupees 577.620 million included in contract liabilities (Note 14) at 30 June 2023 has been recognised as revenue during the year (2023: Rupees 391.170 million).

33.5 These include sales of Rupees 8,440.523 million (2023: Rupees 4,789.829 million) to direct exporters against standard purchase orders (SPOs).

	Note	2024	2023
		(Rupees in thousand)	
34. COST OF SALES			
Raw materials consumed	34.1	34,658,030	27,215,750
Salaries, wages and other benefits	34.2	5,954,186	4,482,155
Processing charges		36,868	11,503
Stores, spare parts and loose tools consumed		3,952,016	2,983,063
Packing materials consumed		4,766,514	4,188,653
Fuel and power		34,379,613	34,227,112
Repair and maintenance		1,342,038	792,324
Insurance		324,508	180,001
Other factory overheads	34.3	1,092,188	744,461
Amortization	21.2	5,883	493
Depreciation	20.1.4	5,186,200	3,876,739
		91,698,044	78,702,254
Work-in-process			
Opening stock		3,228,006	2,700,378
Closing stock		(3,777,829)	(3,228,006)
		(549,823)	(527,628)
Cost of goods manufactured		91,148,221	78,174,626
Finished goods			
Opening stock		3,999,435	2,395,207
Closing stock		(3,016,245)	(3,999,435)
		983,190	(1,604,228)
Cost of sales		92,131,411	76,570,398

	Note	2024	2023
		(Rupees in thousand)	
34.1 Raw materials consumed			
Opening stock		4,293,656	3,259,637
Add: Purchased during the year		33,162,085	28,249,769
		37,455,741	31,509,406
Less: Closing stock		(2,797,711)	(4,293,656)
		34,658,030	27,215,750

34.2 Salaries, wages and other benefits include provident fund contribution of Rupees 191.799 million (2023: Rupees 143.953 million), gratuity and compensated absences amounting to Rupees 51.925 million (2023: Rupees 41.0 million).

34.3 Other factory overheads include housing colony expenses aggregating to Rupees 224.456 million (2023: Rupees 99.016 million).

	Note	2024	2023
		(Rupees in thousand)	

35. DISTRIBUTION COST

	Note	2024	2023
Salaries and other benefits	35.1	753,033	536,474
Outward freight and handling		132,611	75,588
Clearing and forwarding		3,990,567	2,465,104
Commission to selling agents		299,886	279,619
Travelling and conveyance		347,784	308,281
Insurance		7,404	2,578
Vehicles' running		163,229	119,256
Electricity, gas and water		7,673	4,857
Postage, telephone and fax		21,003	13,003
Sales promotion and advertisement		1,290,505	1,093,808
Depreciation	20.1.4	44,663	28,358
Miscellaneous		191,367	144,089
		7,249,725	5,071,015

35.1 Salaries and other benefits include provident fund contribution of Rupees 26.835 million (2023: Rupees 21.478 million), gratuity and compensated absences amounting to Rupees 15.830 million (2023: Rupees 14.531 million).

	Note	2024	2023
		(Rupees in thousand)	

36. ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries and other benefits	36.1	1,932,260	1,466,937
Travelling and conveyance		303,143	219,966
Repair and maintenance		115,777	84,465
Rent, rates and taxes	36.2	33,227	17,363
Insurance		21,446	14,882
Vehicles' running		202,132	152,665
Printing, stationery and periodicals		60,091	69,538
Electricity, gas and water		90,127	74,215
Postage, telephone and fax		36,495	30,747
Legal and professional		188,935	139,256
Fee and subscription		33,855	28,046
Security, gardening and sanitation		75,689	54,967
Entertainment		68,298	56,321
Training and seminars		1,806	2,545
Amortization	21.2	6,081	2,975
Depreciation	20.1.4	224,439	135,461
Miscellaneous		120,934	59,364
		3,514,735	2,609,713

36.1 Salaries and other benefits include provident fund contribution of Rupees 63.621 million (2023: Rupees 51.227 million), gratuity and compensated absences amounting to Rupees 11.279 million (2023: Rupees 22.680 million).

36.2 It includes lease payment of Rupees 0.174 million (2023: Rupees 0.158 million) in respect of short term leases.

	Note	2024	2023
		(Rupees in thousand)	

37. OTHER EXPENSES

	Note	2024	2023
Auditor's remuneration	37.1	94,276	11,993
Donations	37.2	100,794	63,472
Workers' profits participation fund	14.5	418,554	304,706
Workers welfare fund	14.6	295,816	291,628
Advances / receivable written off		309	5,993
Loss on disposal of sale of stores and spares		34,819	-
Unrealised loss on re-measurement of investments at FVTPL		2,476	44,567
Loss on trading in shares futures contracts - net		13,906	185,255
Sales tax refundable written off		-	129,915
Provision for slow moving stores, spare parts and loose tools	25.1	4,723	2,794
Exchange loss - net		20,235	515,830
Bad debts written off		-	-
Allowance for expected credit losses	27.2	248,830	232,790
		1,234,738	1,788,943

37.1 Auditor's remuneration

	2024	2023
Riaz Ahmad and Company		
Audit fee	4,300	4,124
Taxation Services	1,023	-
Certifications	475	150
Reimbursable expenses	1,165	1,014
	6,963	5,288
KPMG Taseer Hadi and Company		
Audit fee	1,050	1,000
Special Audit	1,050	-
Reimbursable expenses	300	150
	2,400	1,150
A. F. Ferguson and Company		
Audit fee	4,100	2,610
Interim review	650	540
Taxation services	37,004	630
Special Audit	41,334	-
Other certifications	900	1,100
Reimbursable expenses	925	675
	84,913	5,555
	94,276	11,993

	2024	2023
	(Rupees in thousand)	
37.2 Donations for the year have been given to:		
Gulab Devi Chest Hospital, Lahore	32,500	15,890
The Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	10,820	-
Dialysis center in AGL hospital	-	-
Maple CSR Initiative as per DC Office requirement	1,364	3,476
Kinnaird College Lahore	-	112
Local schools at Daud khel	-	100
Sunshine Trust	2,000	5,000
Government of Punjab for activities to control pest attack on cotton crops	500	-
Shafaullah	363	270
Beaconhouse National University (Scholarship)	-	782
Daudkhel Police Station	1,912	248
Flood relief activities of Government of Pakistan	-	1,000
Daud Khel water supply project	1,475	365
Earthquake in Turkia & Syria	-	1,410
Akhuwat Islamic Micro Finance	-	15,000
Daudkhel Press Club	258	
Aitchison College Lahore	42,806	
Aga Khan Planning, Building Service	-	15,000
Miscellaneous	6,796	4,819
	100,794	63,472

37.2.1 None of the directors and their spouses have any interest in the donee's fund.

	Note	2024	2023
		(Rupees in thousand)	
38. OTHER INCOME			
Income from financial assets:			
Gain on sale of quoted shares - net		990,880	846,434
Return on bank deposits		257,237	136,300
Unrealised gain on re-measurement of investments at FVTPL		7,305,568	413,757
Unrealised gain on re-measurement of futures contracts - shares		29,055	6,118
Gain on redemption of units of mutual funds - net		4,044	7
Interest on debt Instrument		-	1,600
Return on term deposit receipts		65,627	55,925
Interest on loans to employees		366	279
Dividend income		823,615	117,375
Long outstanding liabilities written back		11,314	13,097
		9,487,706	1,590,892
Income from non-financial assets:			
Scrap sales		124,648	93,183
Gain on disposal of property, plant and equipment	20.1.3	140,031	48,859
Gain on disposal of short term investments		65,838	8,429
Miscellaneous		24,721	38,669
		355,238	189,140
		9,842,944	1,780,032

	2024	2023
	(Rupees in thousand)	

39. FINANCE COST

	2024	2023
Mark up / finance charges / interest on:		
Long term financing	4,234,976	2,515,808
Short term borrowings	3,216,949	1,644,547
Unwinding interest - Retention money payable	-	2,790
Unwinding of discount on GIDC payable	-	391
Interest on lease liabilities	9,154	5,038
	7,461,079	4,168,574
Bank charges and commission	213,194	132,124
	7,674,273	4,300,698

40. LEVY

	2024	2023
Final taxes	410,639	163,270

40.1 The provision of levy represents final taxes levied under section 154 & 150 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

	Note	2024	2023
		(Rupees in thousand)	

41. TAXATION

	Note	2024	2023
Current tax:			
- Current year		2,063,442	2,659,527
- Prior year		(35,969)	(283,571)
		2,027,473	2,375,956
Deferred tax	13	4,736,815	3,831,016
	41.1	6,764,288	6,206,972

41.1 The provision for current tax represents corporate tax on local sales and super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001. Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable rate is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Profit before tax		22,651,036	15,558,937
Applicable tax rate		29%	29%
Tax on accounting profit		6,568,800	4,512,092
Effect of lower rate on certain income / expenses		(298,570)	(234,829)
Effect of exempt income / permanent differences		2,004,761	141,036
Effect of unrealised gain / loss taxed at a lower rate		(2,127,041)	(110,803)
Effect of alternate corporate tax		-	23,365
Effect of capital loss		(284,495)	(191,744)
Effect of rate change and change in proportion of local and export sales on deferred tax		514,758	1,850,010
Effect of prior year adjustment		(249,820)	(283,571)
Effect of super tax		1,075,288	611,125
Others		(28,754)	53,561
Current tax liability and levy as per applicable tax laws		7,174,927	6,370,242
Levy - final taxes		(410,639)	(163,270)
Current tax		(6,764,288)	(6,206,972)
		-	-

	Note	2024	2023
42. EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders of the Holding Company (RUPEES IN THOUSAND)		11,374,337	6,442,898
Weighted average number of ordinary shares (NUMBERS)	42.1	272,618,385	298,923,616
Earnings per share (RUPEES)		41.72	21.55

42.1 Weighted average number of ordinary shares

		2024	2023
Outstanding number of shares before buy back	(NUMBERS)	293,310,900	299,296,456
Less: Impact of own shares purchased	(NUMBERS)	(20,692,515)	(372,840)
		272,618,385	298,923,616

43. CASH GENERATED FROM OPERATIONS

	Note	2024	2023
Profit before taxation		22,651,036	15,558,937
Adjustment for non-cash charges and other items:			
Depreciation		5,455,302	4,040,558
Amortization		11,964	3,468
Finance cost		7,674,273	4,300,698
Gain on sale of property, plant and equipment		(140,031)	(48,859)
Dividend income		(823,615)	(117,375)
Allowance for expected credit losses		248,830	232,790
Return on term deposit receipts		(65,627)	(55,925)
Long outstanding liabilities written back		(11,314)	(13,097)
Loss on disposal of sale of stores and spares		34,819	-
Sales tax refundable written off		-	129,915
Provision for Slow moving stores, spare parts and loose tools		4,723	2,794
Advances to suppliers written off		309	5,993
Employees' retirement benefits		79,034	78,212
Return on bank deposits		(257,237)	(136,300)
Interest on debt instrument		-	(1,600)
Provision for Workers' profits participation fund		418,554	304,706
Provision for Workers' welfare fund		295,816	291,628
Working capital changes	43.1	(3,661,194)	411,488
		31,915,642	24,988,031

43.1 Working capital changes

	2024	2023
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(3,402,305)	2,776,668
Stock-in-trade	2,618,713	(4,068,101)
Trade debts	(3,904,902)	(784,461)
Loans and advances	89,340	126,934
Security deposits and short term prepayments	(512,423)	56,940
Other receivables	(252,444)	(928,730)
	(5,364,021)	(2,820,750)
Increase in trade and other payables	1,702,827	3,232,238
	(3,661,194)	411,488

43.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024					
	Liabilities from financing activities					
	Long term financing	Own shares purchased for cancellation	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	-------------- Rupees in thousand --------------					
Balance as at 01 July 2023	25,265,550	(312,153)	9,015,010	41,664	59,642	34,069,713
Proceeds from long term financing	1,115,127	-	-	-	-	1,115,127
Repayment of long term financing	(6,310,963)	-	-	-	-	(6,310,963)
Own share purchased for cancellation	-	(1,463,096)	-	-	-	(1,463,096)
Lease liability recognized during the year	-	-	-	66,056	-	66,056
Interest on lease liabilities	-	-	-	9,154	-	9,154
Lease rentals paid during the year	-	-	-	(32,329)	-	(32,329)
Disposal during the year	-	-	-	(1,837)	-	(1,837)
Short term borrowings - net	-	-	3,927,500	-	-	3,927,500
Dividend paid	-	-	-	-	(844)	(844)
Other charges - non-cash movement	183,723	-	-	-	-	183,723
Balance as at 30 June 2024	20,253,437	(1,775,249)	12,942,510	82,708	58,798	31,562,204

	2023					
	Liabilities from financing activities					
	Long term financing	Own shares purchased for cancellation	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	-------------- Rupees in thousand --------------					
Balance as at 01 July 2022	24,532,580	-	9,793,373	33,973	60,203	34,420,129
Proceeds from long term financing	6,340,660	-	-	-	-	6,340,660
Repayment of long term financing	(5,802,358)	-	-	-	-	(5,802,358)
Own share purchased for cancellation	-	(312,153)	-	-	-	(312,153)
Lease liability recognized during the year	-	-	-	17,666	-	17,666
Interest on lease liabilities	-	-	-	5,038	-	5,038
Lease rentals paid during the year	-	-	-	(14,611)	-	(14,611)
Disposal during the year	-	-	-	(402)	-	(402)
Short term borrowings - net	-	-	(778,363)	-	-	(778,363)
Dividend declared	-	-	-	-	-	-
Dividend paid	-	-	-	-	(561)	(561)
Other charges - non-cash movement	194,668	-	-	-	-	194,668
Balance as at 30 June 2023	25,265,550	(312,153)	9,015,010	41,664	59,642	34,069,713

44. REMUNERATION OF CHIEF EXECUTIVE OFFICERS, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements in respect of remuneration including certain benefits to the Chairman, Chief Executive Officers, Directors and Executives of the Group are given below:

	Chairman		Chief Executive Officers		Directors		Executives	
	2024	2023	2024	2023	2024	2023	2024	2023
	(RUPEES IN THOUSAND)							
Managerial remuneration	95,063	78,000	384,780	229,302	111,191	79,557	896,300	684,416
Allowances								
House rent	7,605	6,240	16,305	16,745	9,493	4,410	163,764	124,749
Conveyance	-	-	3,633	2,338	2,182	1,961	123,336	82,069
Medical	7,605	6,240	21,222	13,505	10,342	7,217	70,061	58,408
Utilities	6,728	5,520	13,516	13,447	8,459	5,476	121,403	96,496
Special allowance	-	-	21,172	24,700	18,739	17,644	61,886	49,641
Bonus	-	-	-	76,923	-	-	32,336	-
Others	-	-	1,351	5,406	-	-	22,603	16,452
Contribution to provident fund	7,605	6,240	13,550	9,978	9,134	6,385	65,106	53,126
	124,606	102,240	475,529	392,344	169,540	122,650	1,556,795	1,165,357
Number of persons	1	1	3	3	3	3	333	244

The Chief Executive Officers, Directors and some of the Executives are provided with the Group's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use.

Executives are provided with the vehicles in accordance with the Group's policy.

The aggregate amount charged in these consolidated financial statements in respect of directors' meeting fee paid to 9 (2023: 9) non-executive directors was Rupees 1,609,216 (2023: Rupees 1,099,442).

No remuneration was paid to non-executive directors of the Group.

	Note	2024	2023
		(Rupees in thousand)	
45. TRANSACTIONS WITH RELATED PARTIES			
Key management personnel			
Remuneration and other benefits		622,150	456,046
Post employment benefit plan			
Contribution to provident fund		443,165	385,061
Contribution to gratuity fund		22,861	41,171

45.1 The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2023: 73,390,896) and 55,256,992 [20.52%] (2023: 55,256,992) ordinary shares respectively of the Holding Company.

	2024	2023
46. PLANT CAPACITY AND ACTUAL PRODUCTION		
Holding Company		
SPINNING:		
- Rawalpindi Division	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680

	2024	2023
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	46,141	46,646
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	41,876	42,461
	(NUMBERS)	
Open-end Rotors (average) installed / worked	3,648	2,712
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	7,972	5,926
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	6,889	5,196
	(NUMBERS)	
MVS Spindles (average) installed / worked	768	384
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095)	6,379	3,518
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,095)	5,812	3,229
- Gujar Khan Division	(NUMBERS)	
Ring Spindles (average) installed / worked	94,464	94,464
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	54,062	51,402
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2023: 1,094 shifts)	48,580	45,944

WEAVING:

- Raiwind Division	(NUMBERS)	
Looms installed / worked	384	384
	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	166,509	135,806
Actual production converted to 60 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	147,026	121,667

PROCESSING AND STITCHING OF CLOTH:

	(METERS IN THOUSAND)	
- Rawalpindi Division		
Capacity at 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	42,090	41,975
Actual production at 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	17,700	14,651

Stitching

The plant capacity of this division is indeterminable due to multi-product plant involving varying processes of manufacturing and run length of order lots.

POWER PLANT:	2024	2023
	(MEGA WATTS)	
- Rawalpindi Division		
Annual rated capacity based on 366 days (2023: 365 days)	270,407	260,908
Actual generation:		
Furnace engines	21,107	36,062
Gas engines	35,331	22,772
Solar	12,127	6,674
- Raiwind Division		
Annual rated capacity based on 366 days (2023: 365 days)	122,219	96,360
Actual generation:		
Furnace engines	8,604	4,021
Gas engines	23,711	4,818
Solar	6,485	1,313
- Gujar Khan Division		
Annual rated capacity based on 366 days (2023: 365 days)	174,881	164,825
Actual generation:		
Gas engines	12,931	4,140
Diesel engines	275	299
Solar	12,287	11,104
Subsidiary Company - MLCFL		
CEMENT:	(METRIC TONS IN THOUSAND)	
Clinker:		
Annual rated capacity (Based on 300 days)	7,800	7,100
Annual production for the year	3,626	3,929
Subsidiary Company - MLPL		
POWER PLANT:	(MEGA WATTS)	
Coal fired power plant:		
Annual rated capacity based on 330 days (2023: 330 days)	316,800	316,800
Actual generation	251,815	201,531
Solar power plant:		
Annual rated capacity based on 180 days (2023: Nil)	34,128	-
Actual generation	5,781	-

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality.
- Cloth processing units working capacity was limited to actual export / local orders in hand.
- The generation of power was limited to actual demand.
- Actual production of clinker is less than the installed capacity due to planned maintenance shutdown and gap between market demand.

47. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	-(RUPEES IN THOUSAND)-															
REVENUE:																
EXTERNAL	29,374,665	22,930,290	13,058,329	7,814,235	15,741,958	11,302,031	66,438,022	62,073,116	-	-	-	-	-	-	124,612,974	104,119,672
INTER-SEGMENT	2,388,787	733,419	2,220,199	1,830,162	11,199	7,568	14,326	2,142	-	-	7,493,169	6,064,205	(12,127,680)	(8,637,496)	-	-
	31,763,452	23,663,709	15,278,528	9,644,397	15,753,157	11,309,599	66,452,348	62,075,258	-	-	7,493,169	6,064,205	(12,127,680)	(8,637,496)	124,612,974	104,119,672
COST OF SALES	(27,211,579)	(20,207,836)	(14,189,748)	(9,004,066)	(12,106,479)	(7,925,370)	(44,715,320)	(43,178,700)	-	-	(6,035,965)	(4,891,922)	12,127,680	8,637,496	(92,131,411)	(76,570,398)
GROSS PROFIT	4,551,873	3,455,873	1,088,780	640,331	3,646,678	3,384,229	21,737,028	18,896,558	-	-	1,457,204	1,172,283	-	-	32,481,563	27,549,274
DISTRIBUTION COST	(107,567)	(79,101)	(244,850)	(160,422)	(1,425,500)	(1,080,395)	(5,471,808)	(3,751,097)	-	-	-	-	-	-	(7,249,725)	(5,071,015)
ADMINISTRATIVE EXPENSES	(605,991)	(524,209)	(266,521)	(219,072)	(372,804)	(296,527)	(1,924,516)	(1,373,297)	(327,721)	(180,508)	(17,182)	(16,100)	-	-	(3,514,735)	(2,609,713)
	(713,558)	(603,310)	(511,371)	(379,494)	(1,798,304)	(1,376,922)	(7,396,324)	(5,124,394)	(327,721)	(180,508)	(17,182)	(16,100)	-	-	(10,764,460)	(7,680,728)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,838,315	2,852,563	577,409	260,837	1,848,374	2,007,307	14,340,704	13,772,164	(327,721)	(180,508)	1,440,022	1,156,183	-	-	21,717,103	19,868,546
UNALLOCATED INCOME AND EXPENSES:																
FINANCE COST															(7,674,273)	(4,300,698)
OTHER EXPENSES															(1,234,738)	(1,788,943)
OTHER INCOME															9,842,944	1,780,032
LEVIES															(410,639)	(163,270)
TAXATION															(6,764,288)	(6,206,972)
															(6,240,994)	(10,679,851)
PROFIT AFTER TAXATION															15,476,109	9,188,695

47.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	-(RUPEES IN THOUSAND)-													
TOTAL ASSETS FOR REPORTABLE SEGMENT	14,617,772	14,947,908	11,021,058	9,321,904	15,136,040	12,503,074	88,526,869	82,038,036	15,913,904	6,619,759	5,503,533	5,098,844	150,719,176	130,529,525
UNALLOCATED ASSETS													20,825	11,106
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION													150,740,001	130,540,631

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

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	3,048,084	4,647,325	3,061,701	3,796,493	9,341,422	7,213,137	16,271,914	21,445,480	4,107,861	2,252,269	297,099	46,643	36,128,081	39,401,347
UNALLOCATED LIABILITIES													32,831,173	25,361,128
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION													68,959,254	64,762,475

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

47.2 Geographical Information

47.2.1 The Groups' revenue from external customers by geographical location is detailed in Note 33.2 to these consolidated financial statements.

47.2.2 All non-current assets as at reporting date are located and operating in Pakistan.

47.3 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the segment's revenue in Weaving segment was Rupees 3,634 million (2023: Rupees 3,116 million) whereas in the Processing and Home Textile segment was Rupees 7,651 million (2023: Rupees 5,169 million).

47.4 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Group have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

48. PROVIDENT FUND RELATED DISCLOSURES

As at the reporting date, all investments out of provident fund have been made in accordance with the section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by the Securities and Exchange Commission of Pakistan.

	2024	2023
	(Number of employees)	
49. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	8,355	7,666
Average number of employees during the year	8,092	7,418

50. FINANCIAL RISK MANAGEMENT

50.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors. The Group's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, GBP, AED and RMB. Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2024	2023
	(Rupees in thousand)	
Cash at banks - USD	418	338
Cash at banks - GBP	-	2
Cash at banks - Euro	2	-
Trade debts - USD	6,877	6,008
Loans and advances - USD	39	-
Loans and advances - CNY	88	-
Trade and other payables - USD	302	3
Trade and other payables - Euro	115	-
Trade and other payables - CNY	44,900	-
Retention money payable - CNY	43,840	-
Outstanding letters of credit - USD	-	922
Outstanding letters of credit - Euro	-	1,050
Outstanding letters of credit - RMB	-	39,475
Net exposure - USD	6,993	5,421
Net exposure - Euro	(113)	(1,050)
Net exposure - GBP	-	2
Net exposure - CNY	(88,740)	(39,475)

The following significant exchange rates were applied during the year:	2024	2023
Rupees per US Dollar		
Average rate	283.33	250.44
Reporting date rate	278.30	286.60
Rupees per Euro		
Average rate	307.31	200.16
Reporting date rate	298.41	313.72
Rupees per CNY		
Average rate	39.49	27.57
Reporting date rate	38.53	39.98
Rupees per GBP		
Average rate	-	236.36
Reporting date rate	-	364.77
Rupees per RMB		
Average rate	-	27.57
Reporting date rate	-	39.98

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, EURO, GBP, RMB and CNY with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 92.442 million, Rupees 1.602 million, Rupees Nil, Rupees Nil and Rupees 162.410 million (2023: Rupees 73.799 million, Rupees 15.647 million, Rupees 0.035 million, Rupees 74.965 million and Rupees Nil), respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is also exposed to commodity price risk as it holds financial instruments based commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index and Pakistan Mercantile Exchange Limited (PMEX) Index on the Group's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the indices had increased / decreased by 5% with all other variables held constant and all the Group's financial instruments moved according to the historical correlation with the indices:

Index	Impact on profit after levy and taxation		Impact on statement of other comprehensive income (fair value reserve on FVTOCI investments)	
	2024	2023	2024	2023
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
PSX 100 (5% increase)	660,090	260,061	166,957	68,415
PSX 100 (5% decrease)	(660,090)	(260,061)	(166,957)	(68,415)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from long term financing and short term borrowings, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2024	2023
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	917,588	746,391
Financial liabilities		
Long term financing	7,481,965	7,993,859
Short term borrowings	4,503,931	4,278,931
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	750,867	1,010,406
Financial liabilities		
Long term financing	12,771,471	17,271,691
Short term borrowings	8,388,092	4,733,344

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 132.520 million (2023: Rupees 135.634 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	(Rupees in thousand)	
Investments	917,588	746,391
Deposits	898,522	615,790
Trade debts	10,687,943	7,031,871
Other receivables	350,092	136,244
Loans and advances	87,738	69,075
Bank balances	1,637,971	1,574,488
	14,579,854	10,173,859

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate.

	Rating			2024	2023
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	18,378	16,646
Allied Bank Limited	A1+	AAA	PACRA	83,146	91,624
Askari Bank Limited	A1+	AA+	PACRA	40,527	35,087
Bank Alfalah Limited	A1+	AAA	PACRA	30,627	4,839
Bank Al-Habib Limited	A1+	AAA	PACRA	143,038	138,616
Bank Islami Pakistan Limited	A1	AA-	PACRA	14,302	13,684
Faysal Bank Limited	A1+	AA	PACRA	81	1,240
Habib Bank Limited	A-1+	AAA	JCR-VIS	216,687	216,456
MCB Bank Limited	A1+	AAA	PACRA	551,917	402,304
Meezan Bank Limited	A-1+	AAA	JCR-VIS	19,435	58,240
National Bank of Pakistan	A1+	AAA	PACRA	35,486	28,522
MCB Islamic Bank Limited	A1	A+	PACRA	162,705	216,007
Silkbank Limited	A-2	A-	JCR-VIS	64	62
The Bank of Punjab	A1+	AA+	PACRA	50,051	79,794
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	33,402	22,864
United Bank Limited	A-1+	AAA	JCR-VIS	87,737	78,673
FINCA Microfinance Bank Limited	A3	BBB+	PACRA	3,335	3,149
NRSP Microfinance Bank Limited	A1	A	PACRA	-	163
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	127,601	2,580
Samba Bank Limited	A1	AA	PACRA	3,552	1,873
Soneri Bank Limited	A1+	AA-	PACRA	106	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,854	2,853
Summit Bank Limited	A3	BBB-	JCR-VIS	-	25
JS Bank Limited	A1+	AA	PACRA	2,486	-
The Bank of Khyber	A1	A+	JCR-VIS	10,454	159,085
				1,637,971	1,574,488

	Rating			2024	2023
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	344,842	460,753
The Bank of Khyber - term deposit receipts	A1	A+	JCR-VIS	163,474	-
JS Bank Limited - term deposit receipt	A1+	AA	PACRA	7,025	7,114
The Bank of Punjab - term deposit receipts	A1+	AA+	PACRA	402,247	278,524
				917,588	746,391
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	188,160	14,000
Askari Bank Limited	A1+	AAA	PACRA	275,000	275,000
Bank Makramah Limited	A-3	BBB-	VIS	31,055	31,214
United Bank Limited	A1+	AAA	VIS	43,492	44,788
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,942	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	50,000	50,000
				634,613	461,908
Margin against letters of credit					
Faysal Bank Limited	A1+	AA	PACRA	-	8,321
Allied Bank Limited	A1+	AAA	PACRA	47,658	-
The Bank of Punjab	A1+	AA+	PACRA	17,552	8,008
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	1,749
				65,210	18,078

Due to the Group's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

Trade debts

The Group's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 27.2.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, Unemployment, Interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

Holding Company

At 30 June 2024

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.00%	658,854	-	0.00%	-	-
Up to 30 days	0.84%	1,230,318	10,289	0.00%	-	-
31 to 60 days	0.96%	524,445	5,035	0.00%	-	-
61 to 90 days	3.29%	133,022	4,379	0.00%	-	-
91 to 180 days	14.15%	75,851	10,736	0.00%	-	-
181 to 360 days	31.31%	41,764	13,078	0.00%	-	-
Above 360 days	100.00%	885	885	0.00%	-	-
		2,665,139	44,402		-	-
Trade debts which are not subject to risk of default		2,047,885	-		1,768,970	-
		4,713,024	44,402		1,768,970	-

At 30 June 2023

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.00%	347,126	-	0.00%	-	-
Up to 30 days	13.28%	837,515	111,260	0.00%	-	-
31 to 60 days	13.28%	132,176	17,559	0.00%	-	-
61 to 90 days	24.56%	49,082	12,056	0.00%	-	-
91 to 180 days	44.37%	1,279	567	0.00%	-	-
181 to 360 days	48.15%	22,289	10,732	0.00%	-	-
Above 360 days	100.00%	1,145	1,145	0.00%	-	-
		1,390,612	153,319		-	-
Trade debts which are not subject to risk of default		1,654,245	-		1,539,345	-
		3,044,857	153,319		1,539,345	-

Subsidiary Company - Maple Leaf Cement Factory Limited

At 30 June 2024

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	3.19%	2,244,183	74,549	0.00%	115,547	-
1 to 90 days	3.16%	1,226,288	38,743	0.00%	-	-
91 to 180 days	4.44%	617,407	27,392	0.00%	-	-
181 - 270 days	29.02%	151,407	43,936	0.00%	-	-
271 - 365 days	54.66%	40,872	22,339	0.00%	-	-
Above 365 days	100.00%	380,090	380,090	0.00%	-	-
		4,750,481	587,049		115,547	-

At 30 June 2023

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.82%	1,144,948	9,404	0.00%	25,313	-
1 to 90 days	1.10%	1,269,257	14,021	0.00%	-	-
91 to 180 days	14.62%	153,260	22,401	0.00%	-	-
181 - 270 days	27.74%	36,071	10,006	0.00%	-	-
271 - 365 days	32.91%	41,690	13,719	0.00%	-	-
Above 365 days	100.00%	160,498	160,498	0.00%	-	-
		2,805,724	230,049		25,313	-

The Group has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables. Management has assessed that there is no impairment loss in respect of these financial assets of the Group and these are recoverable in full.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Group had Rupees 35.521 million (2023: Rupees 34.181 million) available borrowing limits from financial institutions and Rupees 1,649.005 million (2023: Rupees 1,597.054 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024

Holding Company

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 years
	------------------------- (RUPEES IN THOUSAND) -------------------------					
Non derivative financial liabilities:						
Long term financing	7,059,950	10,813,567	1,631,362	1,074,981	2,056,875	6,050,349
Trade and other payables	3,604,569	3,604,569	3,604,569	-	-	-
Accrued mark-up	565,079	565,079	565,079	-	-	-
Short term borrowings	7,503,576	8,122,292	8,122,292	-	-	-
Unclaimed dividend	31,543	31,543	31,543	-	-	-
	18,764,717	23,137,050	13,954,845	1,074,981	2,056,875	6,050,349

Subsidiary Company

Maple Leaf Cement Factory Limited

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	------------------- (RUPEES IN THOUSAND) -------------------				
Non derivative financial liabilities:					
Long term loans from banking	13,799,414	19,139,928	5,273,450	12,724,945	1,141,533
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	8,760,219	8,760,219	8,760,219	-	-
Unclaimed dividend	27,255	27,255	27,255	-	-
Accrued mark-up	608,721	608,721	608,721	-	-
Short term borrowings	1,645,316	1,645,316	1,645,316	-	-
	24,849,139	30,189,653	16,314,961	12,733,159	1,141,533

Subsidiary Company

Maple Leaf Capital Limited

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years
	------------------- (RUPEES IN THOUSAND) -------------------				
Non derivative financial liabilities:					
Trade and other payables	53,036	53,036	53,036	-	-
Accrued Mark-up	210,138	210,138	210,138	-	-
Short term borrowings	3,793,618	3,866,148	3,866,148	-	-
	4,056,792	4,129,322	4,129,322	-	-

Contractual maturities of financial liabilities as at 30 June 2023

Holding Company

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 years
	------------------------- (RUPEES IN THOUSAND) -------------------------					
Non derivative financial liabilities:						
Long term financing	7,432,812	11,194,787	963,161	938,050	1,929,981	7,363,595
Trade and other payables	2,843,000	2,843,000	2,843,000	-	-	-
Accrued mark-up	483,829	483,829	483,829	-	-	-
Short term borrowings	6,894,851	7,392,785	7,392,785	-	-	-
Unclaimed dividend	32,264	32,264	32,264	-	-	-
	17,686,756	21,946,665	11,715,039	938,050	1,929,981	7,363,595

Subsidiary Company

Maple Leaf Cement Factory Limited

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	------------------- (RUPEES IN THOUSAND) -------------------				
Non derivative financial liabilities:					
Long term loans from banking	18,618,431	28,397,322	5,974,273	19,881,580	2,541,468
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	1,752,988	1,752,988	-	1,752,988	-
Trade and other payables	7,159,134	7,159,134	7,159,134	-	-
Unclaimed dividend	27,378	27,378	27,378	-	-
Accrued mark-up	764,955	764,955	764,955	-	-
Short term borrowings	-	-	-	-	-
	28,331,100	38,109,991	13,925,740	21,642,782	2,541,468

Subsidiary Company

Maple Leaf Capital Limited

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year
	------------------- (RUPEES IN THOUSAND) -------------------				
Non derivative financial liabilities:					
Trade and other payables	344,342	344,342	216,842	127,500	-
Accrued Mark-up	99,571	99,571	99,571	-	-
Short term borrowings	2,120,158	2,177,022	2,177,022	-	-
	2,564,071	2,620,935	2,493,435	127,500	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 16 to these consolidated financial statements.

50.2 Financial instruments by categories

	2024				2023			
	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	----------- (RUPEES IN THOUSAND) -----------				----------- (RUPEES IN THOUSAND) -----------			
Financial assets								
Investments	917,588	15,058,714	4,186,891	20,163,193	746,391	7,840,590	1,851,131	10,438,112
Deposits	898,522	-	-	898,522	615,790	-	-	615,790
Trade debts	10,687,943	-	-	10,687,943	7,031,871	-	-	7,031,871
Other receivables	350,092	-	-	350,092	136,244	-	-	136,244
Loans and advances	87,738	-	-	87,738	69,075	-	-	69,075
Cash and bank balances	1,649,005	-	-	1,649,005	1,597,054	-	-	1,597,054
	14,590,888	15,058,714	4,186,891	33,836,493	10,196,425	7,840,590	1,851,131	19,888,146
Financial liabilities								
Long term financing	20,253,436	-	-	20,253,436	25,265,550	-	-	25,265,550
Long term deposits	8,214	-	-	8,214	8,214	-	-	8,214
Retention money payable	-	-	-	-	1,752,988	-	-	1,752,988
Short term borrowings	12,942,510	-	-	12,942,510	9,015,010	-	-	9,015,010
Trade and other payables	12,417,824	-	-	12,417,824	10,415,708	-	-	10,415,708
Accrued mark-up	1,383,938	-	-	1,383,938	1,348,355	-	-	1,348,355
Unclaimed dividend	58,798	-	-	58,798	59,642	-	-	59,642
	47,064,720	-	-	47,064,720	47,865,467	-	-	47,865,467

50.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2024			2023		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	---------- (RUPEES IN THOUSAND) ----------			---------- (RUPEES IN THOUSAND) ----------		
Assets as per statement of financial position						
Trade debts	10,687,943	-	10,687,943	7,031,871	-	7,031,871
Investments	20,163,193	-	20,163,193	10,438,112	-	10,438,112
Deposits	898,522	-	898,522	615,790	-	615,790
Loans and advances	87,738	1,032,149	1,119,887	69,075	1,127,322	1,196,397
Other receivables	350,092	1,771,693	2,121,785	136,244	1,723,338	1,859,582
Cash and bank balances	1,649,005	-	1,649,005	1,597,054	-	1,597,054
	33,836,493	2,803,842	36,640,335	19,888,146	2,850,660	22,738,806

	2024			2023		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	---------- (RUPEES IN THOUSAND) ----------			---------- (RUPEES IN THOUSAND) ----------		
Liabilities as per statement of financial position						
Long term financing	20,253,436	-	20,253,436	25,265,550	-	25,265,550
Long term deposits	8,214	-	8,214	8,214	-	8,214
Retention money payable	-	-	-	1,752,988	-	1,752,988
Short term borrowings	12,942,510	-	12,942,510	9,015,010	-	9,015,010
Trade and other payables	12,417,824	6,126,097	18,543,921	10,415,708	5,970,369	16,386,077
Accrued mark-up	1,383,938	-	1,383,938	1,348,355	-	1,348,355
Unclaimed dividend	58,798	-	58,798	59,642	-	59,642
	47,064,720	6,126,097	53,190,817	47,865,467	5,970,369	53,835,836

50.4 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

50.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in Note 7 and Note 16 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Group's strategy, remain unchanged from the last year.

	2024	2023
	(Rupees in thousand)	
Borrowings	33,764,827	35,080,917
Total equity	81,780,747	65,778,156
Total capital employed	115,545,574	100,859,073
Gearing ratio	29.22%	34.78%

The decrease in gearing ratio resulted primarily from increase in equity of the Group.

51. 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 As 30 June 2024	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss	15,058,714	-	-	15,058,714
Unrealised gain on re-measurement of futures contracts - shares	29,055	-	-	29,055
Total financial assets	15,087,769	-	-	15,087,769

Recurring fair value measurements As 30 June 2023	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss	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

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.

52. 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 June 2024	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	1,796,715	8,466,030

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 year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 1 & 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 2024, 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 an independent valuer approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2024.

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.

53. INTEREST IN OTHER ENTITIES

The Group's principal subsidiaries as at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of the incorporation or registration is also their principal place of business.

Name of the entity	Place of business / country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal Activities
		2024	2023	2024	2023	
Maple Leaf Cement Factory Limited	Pakistan	58.85%	57.43%	41.15%	42.57%	Production and sale of cement
Maple Leaf Capital Limited	Pakistan	82.92%	82.92%	17.08%	17.08%	To buy, sell, hold, or otherwise acquire or invest capital in financial instruments
Maple Leaf Power Limited	Pakistan	58.85%	57.43%	41.15%	42.57%	Generation, sale and supply of electricity
Maple Leaf Industries Limited	Pakistan	58.85%	57.43%	41.15%	42.57%	To produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products
Novacare Hospitals (Private) Limited	Pakistan	99.59%	100.00%	0.41%	0.00%	To establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centers.

53.1 Non - controlling interests (NCI)

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Maple Leaf Cement Factory Limited		Maple Leaf Capital Limited		Maple Leaf Power Limited		Maple Leaf Industries Limited		Novacare Hospitals (Private) Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	....	....	....	....	RUPEES IN THOUSAND	....	....	....		
Summarized statement of financial position										
Current assets	26,867,837	22,239,667	15,965,253	6,602,940	1,760,089	2,579,212	11,760	10,304	149,982	17,020
Current liabilities	18,597,800	16,215,021	4,163,530	2,597,983	1,346,645	844,372	5,033	1,905	413,721	1,000
Current net assets	8,270,037	6,024,646	11,801,723	4,004,957	413,444	1,734,840	6,727	8,399	(263,739)	16,620
Non-current assets	72,497,845	67,468,044	405,649	419,353	9,838,638	6,391,497	-	-	1,454,626	100,000
Non-current liabilities	28,151,974	28,579,576	1,802,780	-	35,118	38,270	-	-	16,211	-
Non-current net assets	44,345,871	38,888,468	(1,397,131)	419,353	9,803,520	6,353,227	-	-	1,438,415	100,000
Net assets	52,615,908	44,913,114	10,404,592	4,424,310	10,216,964	8,088,067	6,727	8,399	1,174,676	116,020
Summarized statement of comprehensive income										
Revenue	66,452,348	62,075,259	9,183,069	1,160,598	7,493,169	6,064,205	-	-	-	-
Profit / (loss) for the year	5,272,527	4,491,665	5,971,794	577,296	1,765,303	1,287,587	(1,672)	(1,601)	(113,348)	(1,001)
Other comprehensive income / (loss)	3,429,412	38,440	8,488	11,259	363,594	(604)	-	-	-	-
Profit / (loss) allocated to NCI	2,169,645	1,912,102	1,019,982	98,602	726,422	548,126	(688)	(682)	-	-
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-
Summarized statement of cash flows										
Cash generated from / (used in) operating activities	9,496,243	20,143,665	(2,430,661)	(1,058,184)	3,358,024	(9,819)	(367)	1	276,107	(1)
Cash generated (used in) / from investing activities	(3,030,885)	(12,174,483)	704,403	93,073	(3,355,547)	(5,305)	(476)	(9,000)	(1,316,496)	(100,000)
Cash (used in) / from financing activities	(7,482,362)	(6,632,403)	1,673,459	1,133,654	-	-	-	10,000	1,158,203	117,021
Net increase / (decrease) in cash and cash equivalents	(1,017,004)	1,336,779	(52,799)	168,543	2,477	(15,124)	(843)	1,001	117,814	17,020

54. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	2024	2023
	(Rupees in thousand)	
Holding Company		
Loans / advances obtained as per Islamic mode:		
Loans	414,000	300,000
Contract liabilities	229,807	333,800
Accrued mark-up on conventional loans	543,957	474,096
Shariah compliant bank deposits / bank balances		
Bank balances	85,479	249,627
Term deposit receipts	163,474	-
Profit earned from shariah compliant bank deposits / bank balances	40,651	13,540
Exchange gain earned	-	184,790
Revenue earned from shariah compliant business	58,174,952	42,046,556
Profits earned or interest paid on any conventional loan / advance:		
Profit paid on islamic mode of financing	74,289	23,281
Profit earned on deposits with banks	80,002	62,271
Return on term deposit receipts	65,627	55,925
Interest paid on loans	3,235,878	1,604,088

Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Alfalah Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance
The Bank of Khyber	Bank balance and financing

	2024	2023
Subsidiary company (MLCFL)		
Loans / advances obtained as per Islamic mode:		
Loans	2,927,947	2,582,371
Shariah compliant bank deposits / bank balances		
Bank balances	150,017	39,814
Profit earned from shariah compliant bank deposits / bank balances	1,116	593
Gain or dividend earned from shariah compliant investments	86,605	-
Mark-up paid on islamic mode of financing	492,617	579,090
Profits earned or interest paid on any conventional loan / advance		
Interest paid on any conventional loan	68,631	54,727
Interest paid on loans	3,112,033	2,566,038

Relationship with shariah compliant banks

Name	Relationship at reporting date
MCB Islamic Bank Limited	Bank balance and financing
Bank Islami Pakistan Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Bank Alfalah Limited	Bank balance
Meezan Bank Limited	Bank balance
Faysal Bank Limited	Bank balance and financing

Description	2024	2023
	(Rupees in thousand)	
Subsidiary company (MLPL)		
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	3,462	1,539
Subsidiary company (MLCL)		
Shariah compliant bank deposits / bank balances		
Bank balances	150,182	201,765
Profit earned from shariah compliant bank deposits / bank balances	13,782	4,576
Gain / (loss) or dividend earned from shariah compliant investments		
Realized gain / (loss) on disposal of quoted shares - net	990,880	846,434
Dividend income	734,081	98,134
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	181	290
Interest paid on loans	776,490	251,892

Relationship with shariah compliant banks

Name	Relationship at reporting date
MCB Islamic Bank Limited	Bank balance

55. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	2024	2023
	------- (Rupees in thousand) ------			
Total facilities	22,713,386	20,928,864	67,285,713	69,244,866
Utilized at the end of the year	7,617,940	10,232,750	33,764,827	35,063,518
Unutilized at the end of the year	15,095,446	10,696,114	33,520,886	34,181,348

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 11 September 2024 by the Board of Directors of the Holding Company.

57. CORRESPONDING FIGURES

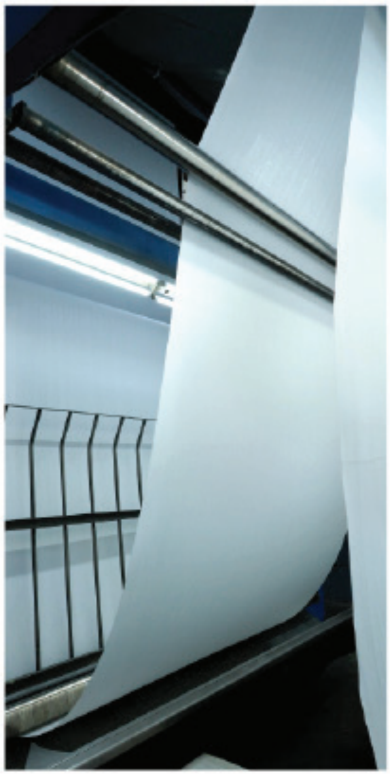
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassification have been made except as disclosed in note 2.3 to these consolidated financial statements and freight expenses amounting to Rupees 1,749.597 million which have been reclassified from cost of sales to selling and distribution expenses.

58. GENERAL

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER





BCR CRITERIA

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BCR CRITERIA INDEX

No.	BCR Criteria Index	Reference
1	**Organizational Overview and External Environment**	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	Page-14 to 15 & Page-30
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	Page-08
1.03	Geographical location and address of all business units including sales units and plants.	Page-18
1.04	The legislative and regulatory environment in which the company operates.	Page-31
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	Page-16
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	Page-16
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	Page-16
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	Page-20
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	Page-22
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	Page-23
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	Page-24 (Value Chain Analysis) & Page-29 (Position in Value chain)
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	Page-26
	b) The effect of seasonality on business in terms of production and sales.	Page-25
1.13	The legitimate needs, interests of key stakeholders and industry trends.	Page-30
1.14	SWOT Analysis of the company.	Page-28
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	Page-24 (Customer landscaping and market positioning)
1.16	History of major events.	Page-91 to 97
1.17	Details of significant events occurred during the year and after the reporting period.	Page-30
2	**Strategy and Resource Allocation**	
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2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	Page-38
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	Page-42
2.04	Company's strategy on market development, product and service development.	Page-39
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	Page-57
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	Page-40
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	Page-41
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	Page-41 (Significant Plans and Decisions), Page-120 (Directors' Report - Business Rationale)
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan;	Page-120
	b) Board strategy to overcome liquidity problems and plans to meet operational losses.	Page-57
3	**Risks and Opportunities**	
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	Page-50
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies;	Page-57 (Board's efforts) & Page-50 (Objectives)
	b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	Page-57 (Board's efforts) & Page-120 (Directors' Report - Principle risks and uncertainities)
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	Page-46
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	Page-53 to 54 (Corporate objectives, risks and mitigation strategies)
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	Page-59
4	**Sustainability Reporting and Corporate Social Responsibility (CSR)**	
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	Page-64
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	a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term;	Page-66
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company.	Page-67

No.	BCR Criteria Index	Reference
	c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationships related to a company's business model and the external environment in which it operates]	Page-68
	d) Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company. [Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types, physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]	Page-70
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	Page-72
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: 5 • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources; • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs); • Information on consumption and management of materials, energy, water, emissions and waste.	Page-74, Page-80 to 84
4.05	• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP. • ISO certifications acquired for best sustainability and CSR practices.	Page-77 to 79, Page-87 to 90
5	**Governance**	
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	b) Name of independent directors indicating justification for their independence;	Page-124 (Name of Directors) & Page-132 to 135 (Brief profile of Directors)
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	Page-132 to 135 (Brief profile of Directors)
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	Page-132 to 135 (Brief profile of Directors)
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	Page-132 to 135 (Brief profile of Directors)
5.02	A brief description about role of the Chairman and the CEO.	Page-138
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	Page-138 (Matters decided by the Board & Matters delegated to the Management)
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives;	Page-116
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	Page-116, Page-138 (Role of Chairman and the CEO)
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	Page-122
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	Page-151
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	Page-146
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	Page-146 (Evaluation Criteria of the Board)
5.08	Details of formal orientation courses for directors.	Page-126 (Point 9)
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	Page-126 (Point 9)
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	Page-122 & Page-87 (Certification on Internal Controls and Systems)
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions;	Page-136
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	Page-114 to 115 & Page-268 (Note 38)
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	Page-115
	d) Disclosure of director's interest in related party transactions;	Page-115
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	Page-147
5.12	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls.	Page-148
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	Page-152
	c) Disclosure of director's interest in significant contracts and arrangements.	Page-148
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	Page-124
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	Page-138
	f) Security clearance of foreign directors.	Page-138
	g) Board meetings held outside Pakistan.	Page-122 (Directors and Board Meetings)
	h) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback.	Page-150

No.	BCR Criteria Index	Reference
	i) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	Page-151
	j) Communication with stakeholders.	Page-167
	k) Dividend policy.	Page-152
	l) Investors' relationship and grievances.	Page-147
	m) Employee's health, safety and protection.	Page-149
	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report.	Page-153 & Page-130
	o) Safety of records of the company.	Page-147
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	Page-146
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	Page-126 (Point 9)
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives;	Page-285 (Note-2.3 Categories of Shareholders)
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	Page-285 (Note-2.3 Categories of Shareholders)
5.16	Details about Board meetings and its attendance.	Page-153
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	Page-127 (Composition of Board Committees), Page-140 (Terms of Reference of Board Committees), Page-128 (Frequency of meetings)
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	Page-281 (Note-48)
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	Page-130 (Report of Audit Committee)
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	Page-124 (Audit Committee)
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system;	Page-149
	b) Management support in the effective implementation and continuous updation;	Page-149
	c) Details about user training of ERP software;	Page-150
	d) How the company manages risks or control risk factors on ERP projects;	Page-150
	e) How the company assesses system security, access to sensitive data and segregation of duties.	Page-150
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	Page-121
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	Page-153
6	**Analysis of the Financial Information**	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance;	Page-182 (Financial Results)
	b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	Page-190 (Actual vs Budgeted)
6.02	a) Analysis of financial ratios **(Annexure I)** with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	Page-206 to 212
	b) Explanation of negative change in the performance as compared to last year.	Page-191
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	Page-193, Page-199 to 205
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Page-194
6.05	a) Information about business segment and non-business segment; and	Page-188
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	Page-188 & 189 (Segmental review of business performance) & Page 271 (Note-40)
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	Page-185 (Share price sensitivity analysis)
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	Page-187
6.08	Disclosure of market share of the company and its products and services.	Page-187
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	Page-197

No.	BCR Criteria Index	Reference
6.10	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	Page-197
6.11	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	N/A
7	**Business Model**	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	Page-172 to 173
7.02	Explanation of any material changes in the entity's business model during the year.	N/A
8	**Disclosures on IT Governance and Cybersecurity**	
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	Page-157
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	Page-157
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	Page-157
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	Page-157
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	Page-158
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	Page-158
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	Page-158
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	Page-159
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	Page-159
	Explanatory Note	
	Companies are recommended to assess the risks related to the potential theft or compromise of their technology, data or intellectual property in connection with their operations, as well as how the recognition of these risks may impact their business, including their financial condition and results of operations, and any effects on their reputation, stock price and long-term value. Where these risks are material to investment and voting decisions, they should be disclosed, and we encourage companies to provide disclosure that allows investors to evaluate these risks through the eyes of management. Please note that disclosure about these risks should be specifically fit to a company's unique facts and circumstances. We trust that corporations should continue to consider this growing area of risk and evaluate its materiality on an ongoing basis.	
	Further, the Company should not make such detailed disclosures that could compromise its cybersecurity efforts – for example, by providing a "roadmap or product details" for those who seek to penetrate a company's security protections. However, companies should disclose IT governance and cybersecurity risks and incidents that are material to investors, including the associated financial, legal, or reputational consequences, if any.	
9	**Future Outlook**	
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	Page-162
9.02	Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year.	Page-163 (Analysis of prior year forward looking disclosure)
9.03	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year.	Page-163 (Status of current and previous projects)
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant.	Page-163
9.05	Disclosure about company's future Research & Development initiatives.	Page-163
10	**Stakeholders Relationship and Engagement**	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	Page-167
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	Page-167 (Policy & procedure for stakeholders engagement, Engagement frequency)
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	Page-168
10.04	Investors' Relations section on the corporate website.	Page-169
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	Page-136
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Analyst briefing conducted during the year.	Page-167 (Policy & procedure for stakeholders engagement), Page-167 (Board's interaction with major shareholders), Page-169 (Significant corporate briefing sessions)
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	Page-169
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	

No.	BCR Criteria Index	Reference
11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	Page-177
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	Page-389 to 393
12	**Specific Disclosures of the Financial Statements**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs **(Annexure II)**.	Annex-II of this checklist
13	**Assessment based on Qualitative Factors**	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: a) Clarity, simplicity and lucidity in presentation of Financial Statements; b) Theme on the cover page; c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report; d) Effectiveness and relevance of photos and graphs; e) Effectiveness of the theme on the cover page.	
Non-Financial Sector		
Profitability Ratios		
	a) Gross Profit ratio	Page-206
	b) Net Profit to Sales	Page-206
	c) EBITDA Margin to Sales	Page-206
	d) Operating leverage ratio	Page-206
	e) Return on Equity / Shareholders' Funds	Page-206
	f) Return on Capital employed	Page-206
	g) Shareholders' Funds	Page-206
	h) Return on Shareholders' Funds	Page-206
	i) Return on Investment	Page-206
	j) Total Shareholder Return	Page-206
Liquidity Ratios		
	a) Current ratio	Page-207
	b) Quick / Acid test ratio	Page-207
	c) Cash to Current Liabilities	Page-207
	d) Cash flow from operations to Sales	Page-207
	e) Cash flow to capital expenditures	Page-207
	f) Cash flow coverage ratio	Page-207
Investment /Market Ratios		
	a) Earnings per Share (EPS) and diluted EPS	Page-208
	b) Price Earnings ratio	Page-208
	c) Price to Book ratio	Page-208
	d) Dividend Yield ratio	Page-208
	e) Dividend Payout ratio / Dividend Cover Ratio	Page-208
	f) Cash Dividend per share / Stock Dividend per share	Page-208
	g) Market value per share at the year end and high/low during the year	Page-208
	h) Breakup value per share i. Without Surplus on Revaluation of property, plant and equipment	Page-208
	ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments	Page-208
	iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.	Page-208
	i) DuPont Analysis	Page-208
	j) Free Cash Flow	Page-208
	k) Economic Value Added (EVA)	Page-208
Capital Structure		
	a) Financial leverage ratio	Page-209
	b) Weighted average cost of debt	Page-209
	c) Debt to Equity ratio (as per book and as per market value)	Page-209
	d) Net assets per share	Page-209
	e) Interest Cover /Time interest earned ratio	Page-209
Activity / Turnover Ratios		
	a) Total Assets turnover ratio	Page-207
	b) Fixed Assets turnover ratio	Page-207
	c) No. of Days in Inventory	Page-207
	d) No. of Days in Receivables	Page-207
	e) No. of Days in Payables	Page-207
	f) Operating cycle	Page-207
Non-Financial Ratios		
	a) % of Plant Availability	Page-211
	b) Customer Satisfaction Index	Page-211
	c) Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry)	Page-210
	d) Revenue per Employee	Page-210
	e) Staff turnover ratio	Page-210
	f) Spares Inventory as % of Assets Cost	Page-211
	g) Maintenance Cost as % of Operating Expenses	Page-211
	h) Customer Retention Ratio	Page-211
Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)		
1	Fair value of Property, Plant and Equipment.	Page-185 & Page-254
2	Particulars of significant / material assets and immovable property including location and area of land.	Page-185 & Page-256
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Page-269
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Page-254
5	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Page-277
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	N/A
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Page-80
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	N/A
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
PROXY FORM

I/We ____

of ____

being a member of KOHINOOR TEXTILE MILLS LIMITED hereby appoint ______________________

____

Name (Folio / CDC A/c No., if Member)

of ____

or failing him/her ____

Name (Folio / CDC A/c No., if Member)

of ____

as my/our proxy to attend, speak and vote for and on my/our behalf at the 56th Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, Monday, 28 October, 2024 at 12:00 Noon and/or any adjournment thereof.

As witness given under my/our hand(s) ________________ day of October, 2024.

1. Witness:		2. Witness:	
Signature :	____________________	Signature :	____________________
Name :	____________________	Name :	____________________
CNIC :	____________________	CNIC :	____________________
Address :	____________________	Address :	____________________
:	____________________	:	____________________

Affix
Revenue
Stamp of Rs. 50/-

____

Signature of Member / Attorney
(Please also affix company stamp, in case of corporate entity)

Notes:
1. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No. [| | | | | - | | | | | | | | - |]

AFFIX
CORRECT
POSTAGE

The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36302261-62

کوہ نور ٹیکسٹائل ملز لمیٹڈ

42-لارنس روڈ، لاہور

تشکیلِ نیابت داری (پراکسی فارم)

میں / ہم --

ساکن --

بحیثیت حصہ دار کوہ نور ٹیکسٹائل ملز لمیٹڈ --

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن-------------------------------یا بصورت دیگر--------------------------------

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن-----------------------کو اپنی جگہ بروز **سوموار 28 اکتوبر 2024ء** کو دوپہر **12:00** بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے **56** ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ہمارے دستخط سے مورخہ ______ اکتوبر 2024ء کو دی گئی۔

۵۰ روپے کا رسیدی ٹکٹ چسپاں کر کے دستخط کریں

۱۔ گواہ

دستخط : ____________________

نام : ____________________

شناختی کارڈ نمبر : ____________________

پتہ : ____________________

____

دستخط ____________________

(ممبر/مجاز افسر)

(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

۲۔ گواہ

دستخط : ____________________

نام : ____________________

شناختی کارڈ نمبر : ____________________

پتہ : ____________________

____

____

حامل عام حصص

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی آئی ڈی	اکاؤنٹ نمبر

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | - | | | | | | | | - | |

نوٹس:

(۱) پراکسیز کے مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

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The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36302261-62

ڈائریکٹرز رپورٹ (کنسالیڈیٹڈ)

ڈائریکٹرز کوہ نور ٹیکسٹائل ملز لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی ذیلی کمپنیوں میپل لیف سیمنٹ فیکٹری لمیٹڈ(58.85%)،میپل لیف پاور لمیٹڈ(58.85%) ،میپل لیف انڈسٹریز لمیٹڈ (58.85%) ،نووا کیئر ہاسپٹلز (پرائیویٹ)لمیٹڈ(58.61%)اور میپل لیف کیپٹل لمیٹڈ(82.92%)(مجموعی طور پر ایک گروپ)کے 30 جون 2024 کو ختم ہونے والے سال کے لیے نظرثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے 27,549 ملین روپے کے مقابلے میں 32,482 ملین روپے کا مجموعی منافع کمایا ہے۔گروپ نے اس سال 22,240 ملین روپے کا قبل از ٹیکس منافع کمایا جبکہ گزشتہ سال کے دوران منافع 15,396 ملین روپے تھا۔

گروپ کے مجموعی مالیاتی نتائج درج ذیل ہیں:

	30 جون 2024	30 جون 2023
		روپے ملین میں
آمدنی	124,613	104,120
مجموعی منافع	32,482	27,549
آپریشنز سے منافع	30,325	19,860
مالیاتی چارجز	7,674	4,301
بعد از ٹیکس خالص منافع	15,476	9,189
		روپے
فی شیئر آمدنی-بنیادی اور معتدل	41.72	21.55

ذیلی کمپنیاں

میپل لیف سیمنٹ فیکٹری لمیٹڈ(MLCFL)

اس نے اپنی گزشتہ سال کی فروخت میں 7.05% کا اضافہ درج کرایا اور مجموعی منافع 31.55%(30 جون 2023:29.28%) جوکہ 20,964 ملین روپے(30 جون 2023:18,173 ملین روپے) کمایا ہے۔

اس نے ٹیکس کے بعد منافع 5,273 ملین روپے(30 جون 2023:4,492 ملین روپے) کمایا۔

میپل لیف پاور لمیٹڈ(MLPL)

MLPL نے ٹیکس کے بعد منافع 1,765 ملین روپے(30 جون 2023:1,288 ملین روپے) کمایا۔

میپل لیف انڈسٹریز لمیٹڈ(MLIL)

MLIL کو 1.67 ملین روپے(30 جون 2023:1.6 ملین روپے) کا بعد از ٹیکس نقصان ہوا ہے۔MLIL کو 21 ستمبر 2022 کمپنیز ایکٹ 2017 کے تحت حصص کے ذریعے ایک پبلک کمپنی کے طور پر پاکستان میں قائم کیا گیا تھا تاکہ سیمنٹ اور اس سے وابستہ تمام اقسام کی مصنوعات پیدا،مینوفیکچرنگ، تیاری،ٹریٹ، پروسیسنگ، ریفائننگ اور کاروبار کیا جاسکے۔ چونکہ،حکومت پاکستان نے سیمنٹ مینوفیکچرنگ لائن کے لئے مشینری کی درآمد کی اجازت نہیں دی اور اس کے نتیجے میں ایم ایل آئی ایل کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2024 کو کمپنی کے وائنڈنگ اپ پراسیس شروع کرنے کا فیصلہ کیا ہے۔

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ کو 113 ملین روپے(30 جون 2023:1 ملین روپے) کا بعد از ٹیکس نقصان اٹھانا پڑا ہے۔

میپل لیف کیپٹل لمیٹڈ(MLCL)

MLCL نے ٹیکس کے بعد منافع 5,972 ملین روپے(30 جون 2023:577 ملین روپے) کمایا۔

کمپنیز ایکٹ، 2017 کی تعمیل میں، سیکشن 227 کے تمام متعلقہ امور شیئر ہولڈرز کو ہماری واحد ڈائریکٹرز رپورٹ میں بیان کئے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز گروپ کے اراکین، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ وہ مختلف کرداروں میں کام کرنے والے ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

(توفیق سعید سہگل)
چیف ایگزیکٹو آفیسر

(سید محسن رضا نقوی)
ڈائریکٹر

لاہور: 11 ستمبر 2024

اظہار تشکر

ڈائریکٹرز کمپنی کے ممبروں، مالیاتی اداروں اور صارفین کے تعاون اور حمایت پر ان کے مشکور ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

	(سید محسن رضا نقوی)	(توفیق سعید سہگل)
لاہور: 11 ستمبر 2024ء	ڈائریکٹر	چیف ایگزیکٹو

ہیومن ریسورس اور ریمنریشن کمیٹی

نام	عہدہ
جناب ذوالفقار منو	چیئر مین (آزاد ڈائریکٹر)
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)
جناب دانیال توفیق سہگل	رکن (ایگزیکٹو ڈائریکٹر)

زیرِ جائزہ سال کے دوران، ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس 20 نومبر 2023 کو منعقد ہوا اور جناب سعید طارق سہگل اجلاس میں شریک نہیں ہوئے۔ تاہم انہیں غیر حاضری کی رخصت دی گئی۔

بورڈ آڈٹ کمیٹی سمیت بورڈ کی کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

بورڈ نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گا اور مناسب وقت پر تعمیل کرے گا۔

نان ایگزیکٹو/ آزاد ڈائریکٹرز کے لئے مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" منظور کی ہے، جس کی خصوصیات درج ذیل ہیں:

☆ کوئی ڈائریکٹر خود اپنا مشاہرہ متعین نہیں کرے گا۔

☆ ریگولر پیڈ چیف ایگزیکٹو، سپانسرز اور / یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ ایک ڈائریکٹر کی اجلاس فیس بغیر ٹیکس خالص رقم -/100,000 روپے (ایک سو ہزار روپے صرف) فی اجلاس بورڈ کے اجلاس اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے -/10,000 روپے (دس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔

☆ موجودہ وقت کے لئے اور/ یا بعد میں ترمیم شدہ لاگو ایسی ادائیگی پر اگر کوئی ٹیکس کی ذمہ داری ہوئی تو کمپنی برداشت کرے گی۔

☆ کمپنی کے لئے اور کی جانب سے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی سے وصول کرنے کے اہل ہونگے۔

کمپنی کے چیف ایگزیکٹو اور ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات کا انکشاف واحد مالی حسابات کے نوٹ 37 میں کیا گیا ہے۔

مستقبل کا نقطہ نظر

کمپنی طویل مدتی مستحکم نمو کی اپنی جستجو کو مدنظر رکھتے ہوئے معیار اور صلاحیت میں اضافے اور اپنی مصنوعاتی لائنز میں تنوع پر توجہ کے ساتھ اپنے بنیادی ڈھانچے، پلانٹ اور مشینری کو بہتر بنانے میں سرمایہ کاری جاری رکھے ہوئے ہے۔ مزید برآں، ایک " گرین " کمپنی بننے پر اپنی توجہ کو برقرار رکھتے ہوئے، اپنی قابل تجدید توانائی کی صلاحیت میں تیزی سے اضافہ، مزید شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی زیرو لیکوئیڈ کے اخراج کو حاصل کرنے کے طویل مدتی ہدف کے ساتھ پانی کی ری سائیکلنگ ٹیکنالوجیز میں بھی سرمایہ کاری کر رہی ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2024 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

ڈائریکٹرزاور بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس پاکستان میں منعقد ہوئے ہیں اور پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ سال کے دوران ڈائریکٹر کا کوئی عہدہ خالی نہیں ہوا۔ ہر ایک ڈائریکٹرز کی حاضری حسبِ ذیل کے مطابق ہے

کیٹگری	نام	اجلاسوں میں حاضری کی تعداد
آزاد ڈائریکٹرز	سید محمد شبر زیدی	4
	جناب ذوالفقار منو	2
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل (چیئرمین)	4
	جناب سعید طارق سہگل	4
	جناب ولید طارق سہگل	4
ایگزیکٹو ڈائریکٹر	جناب توفیق سعید سہگل (چیف ایگزیکٹو آفیسر)	4
	جناب دانیال توفیق سہگل	4
	سید محسن رضا نقوی	3
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	محترمہ جہاں آراء سہگل	4

ان ارکان کو غیر حاضری کی رخصت دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک رکن کی حاضری حسبِ ذیل کے مطابق ہے:

نام	عہدہ	اجلاسوں میں حاضروں کی تعداد
سید محمد شبر زیدی	چیئرمین (آزاد ڈائریکٹر)	4
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	2
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4
جناب ولید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4

ان ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاسوں میں شرکت نہیں کر سکتے تھے۔

سید محمد شبر زیدی، چیئرمین، آڈٹ کمیٹی نے 19 اکتوبر 2023 کو منعقدہ آخری AGM میں شرکت کی۔

کنٹرول فریم ورک کے اثرات اور مالی حسابات کا جائزہ لیتی ہے۔

مالی حسابات کی تیاری اور پیش کرنے میں انتظامیہ کی ذمہ داری

انتظامیہ پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق اور کمپنیز ایکٹ، 2017 (2017 کا XIX) کی ضروریات کے مطابق اپنے مالی حسابات کی تیاری اور منصفانہ پیش کش کی ذمہ داری سے آگاہ ہے اور ایسا داخلی کنٹرول جو انتظامیہ متعین کرے، مالی حسابات کی تیاری کو فعال بنانے کے لئے ضروری ہے جو کسی مواد کی غلطی سے پاک ہو، چاہے وہ دھوکہ دہی یا سہواً ہو۔

پائیداری کے خطرات اور مواقعوں سے نمٹنے کے لئے بورڈ اور اس کے ممبران کا کردار

بورڈ طویل مدتی کارپوریٹ قدر پیدا کرنے کے لئے کمپنی کی پائیداری کی حکمت عملی، ترجیحات اور اہداف کا تعین کر کے کمپنی کے اندر پائیداری کے خطرات اور مواقعوں کی گورننس اور نگرانی کا ذمہ دار ہے، جس میں ماحولیاتی، معاشرتی اور گورننس کے معاملات شامل ہیں۔
بورڈ اس بات کو یقینی بناتا ہے کہ تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی) کو فروغ دینے کی پالیسیاں صنفی مرکزی دھارے میں لانے، صنفی مساوات اور کمپنی کے بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی شرکت کی حوصلہ افزائی کرتی ہیں۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال کے لئے کمپنی کے مالی حسابات پر اپنی آزاد آڈیٹرز رپورٹ میں کمپنی کے امور پر غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

ریٹائر آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنا پر، دوبارہ تقرری کے لئے خود کو پیش کیا ہے، آئندہ سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق آڈیٹرز کی حیثیت سے دوبارہ تقرری کی منظوری دی ہے۔

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی ترتیب

ڈائریکٹرز کی کل تعداد:

a)۔مرد	8
b)۔خاتون	1

ترتیب:

آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز (بشمول سی ای او)	03
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	01

دانشمندی کا سرمایہ:

دانشورانہ سرمایہ ایک تنظیم میں دستیاب مختلف معلوماتی نظام پر مشتمل ہوتا ہے۔KTML میں انتظامیہ کا خیال ہے کہ مسابقتی فائدہ کو برقرار رکھنے کے لیے تکنیکی پلیٹ فارم کو اپ ڈیٹ کرنا انتہائی ضروری ہے اس لیے کمپنی اپنے اسٹیک ہولڈرز کو بہترین سروس فراہم کرنے کے لیے انفارمیشن ٹیکنالوجی میں مسلسل سرمایہ کاری کر رہی ہے۔

قدرتی سرمایہ:

انتظامیہ آئندہ نسلوں کے خوشحال مستقبل کے لیے قدرتی سرمائے کی استقامت کے لیے پرعزم ہے۔ صاف ستھرا ماحول فراہم کرنے کے لیے انتظامیہ سولر بیس پاور پراجیکٹس میں اپنی سرمایہ کاری بڑھا رہی ہے۔ نایاب وسائل کے ضیاع کو محدود کرنے کے لیے پانی کو دانشمندی سے استعمال کیا جا رہا ہے۔ مذکورہ مقصد کے حصول کے لیے کمپنی نے کئی سال پہلے ویسٹ واٹر ٹریٹمنٹ پلانٹ لگایا ہوا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری کو تسلیم کرتی ہے اور مستقل بنیادوں پر مختلف رفاہی اداروں کے ذریعہ معاشرے کی فلاح کے منصوبوں کو مالی اعانت فراہم کر کے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاعی شراکت میں قائد کی حیثیت سے تسلیم کیا ہے اور کمپنی ان کمیونٹیز کا تعمیری ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔ کمپنی نے میڈیکل سوشل سائنسز پراجیکٹ میں بھی حصہ لیا ہے اور اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور ذیلی کمپنی کے بورڈ نے مشترکہ طور پر گلاب دیوی چیسٹ ہسپتال (جی ڈی سی ایچ) لاہور میں العلیم میڈیکل کالج میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔ کمپنی نے ماضی میں بھی میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں سعید سہگل کارڈیک کمپلیکس تعمیر کر کے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہ نور میپل لیف گروپ نے "تیرہواں کارپوریٹ سوشل رسپانسیبلٹی نیشنل ایکسلینس ایوارڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

مزید برآں، ایک ذمہ دار شہری ہونے کے ناطے، کمپنی نے کپاس کی فصلوں پر کنٹرول پیسٹ اٹیک کی سرگرمیوں کے لیے حکومت پنجاب کو بھی عطیات دیئے ہیں۔

کمپنی کے کاروبار کے ماحول پر اثرات

انتظامیہ ملز کے احاطے سے آلودہ پانی کے اخراج کے بعد اردگرد کے علاقوں میں اس کے نقصان دہ اثرات کو سمجھتی ہے۔ اردگرد کے واٹر ٹیبل پر پروسیسنگ میں استعمال ہونے والے کسی بھی کیمیکل کے ممکنہ طور پر نقصان دہ اثرات کو روکنے کے لئے، فیکٹری سے خارج ہونے والے پانی میں کسی بھی آلودگی کو کم سے کم یا ختم کرنے کے لئے ایک ویسٹ واٹر ٹریٹمنٹ پلانٹ تعمیر کیا ہے۔ اس کے علاوہ، کمپنی متبادل، پائیدار انرجی ذرائع میں تحقیق اور اہم منصوبوں کے عملدرآمد کو جاری رکھتی ہے۔

موزوں داخلی کنٹرولز

بورڈ آف ڈائریکٹرز داخلی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے بخوبی واقف ہے اور اس کے مطابق کاروائیوں کو مؤثر انداز میں انجام دینے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی مالیاتی کنٹرول کا ایک مؤثر نظام قائم کیا گیا ہے۔ کمپنی کا آزاد داخلی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرولز کا نفاذ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی کی بنیاد پر اندرونی

ii۔ زیادہ شرح سود کی وجہ سے فنانس لاگت میں اضافہ۔

iii۔ ایندھن اور بجلی کی زیادہ قیمتوں کی وجہ سے توانائی کی لاگت میں اضافہ۔

iv۔ آپریٹنگ اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔

v۔ ٹیکسٹائل مینوفیکچررز کے مابین قیمت کے ساتھ ساتھ فروخت پر بھی مسابقت۔

آرگنائزیشن پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال کا مقابلہ کرنے کے لئے مؤثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور مؤثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ داخلی اور خارجی پیشرفت سے آگاہ رہتی ہے۔ کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو آگے کے نقطہ کو اُجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ برآمدی منڈیوں میں سخت مسابقت اور کم مارجن کے باعث، مینجمنٹ کی قیادت میں مارکیٹنگ ٹیم نے غیر استعمال شدہ مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے مؤثر انداز سے مارکیٹ میں داخل ہونے کی حکمت عملی کا آغاز کیا ہے۔ مجموعی افراط زر کو پورا کرنے کے لئے ایک مؤثر پروکیورمنٹ منصوبہ تیار کیا گیا ہے۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اسکی ذیلیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروبار کی نوعیت سے متعلقہ مالی سال کے دوران کوئی تبدیلی وقوع پذیر نہیں ہوئی ہے۔

کمپنی کے کاروبار سے متعلق حکومت پاکستان کی پالیسیاں اور کارکردگی پر ان کا اثر

شرح سود اور توانائی کی قیمتیں بڑھانے کی حکومت پاکستان کی پالیسی کمپنی کے مالیات پر نمایاں اثر ڈالتی اور جس کے نتیجے میں مالی اور مینوفیکچرنگ لاگت بڑھ جاتی ہے۔

غیر مالی کارکردگی

اہم اجزاء کے حوالے سے کمپنی کی غیر مالی کارکردگی حسب ذیل کے مطابق ہے۔

انسانی سرمایہ:

انسانی سرمایہ تنظیم کی کامیابی میں ایک اہم عنصر ہے۔ KTML کا خیال ہے کہ تنظیم کی طویل مدتی کامیابی اس کے ملازمین کی ترقی پر منحصر ہے۔ اسی خیال کو مدنظر رکھتے ہوئے تنظیم ملازمین کی گرومنگ میں متعدد انداز سے اِن ہاؤس/آؤٹ سورسڈ ٹریننگ سیشنز میں مسلسل سرمایہ کاری کر رہی ہے۔

تعلقات کا سرمایہ:

KTML اپنے اسٹیک ہولڈرز، صارفین، شیئر ہولڈرز اور سپلائرز کے ساتھ بہت صحت مند اور فائدہ مند تعلقات سے لطف اندوز ہوتی ہے۔ کمپنی اس وقت اعلیٰ معیار کی مصنوعات کی پیداوار اور فراہمی کر رہی ہے جو اپنے صارفین کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کے ساتھ انتہائی اطمینان بخش تعلقات برقرار رکھے ہوئے ہے۔

ڈائریکٹرز نے حسب ذیل کے مطابق سفارش کیا ہے:

	روپے ہزاروں میں
ٹیکس سے پہلے منافع	2,990,626
ٹیکس کی فراہمی	(791,464)
ٹیکس کے بعد منافع	2,199,162
آمدنی کے ذخائر سے کیپٹل ذخائر کو منتقلہ	(15,324,509)
سال کے دوران منسوخی کے لئے خریدے گئے حصص کی قیمت	(1,475,279)
مجموعی منافع جو آگے لائے	17,415,710
مجموعی منافع جو آگے گیا	**2,815,084**

بعد کے واقعات

کمپنی کی کارکردگی، مقاصد یا حکمت عملی کو مادی طور پر متاثر کرنے والے کوئی مابعد واقعات رونما نہیں ہوئے ہیں۔ مزید برآں، کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی تبدیلیاں یا معاہدے وقوع پذیر نہیں ہوئے جن کا تعلق مالی گوشواروں اور رپورٹ کی تاریخ سے ہو۔

کمپنی کے سرمایہ کاری اخراجات/ جاری توسیع کی کاروباری شرح

کمپنی کا خیال ہے کہ پروڈکشن سائٹس میں سرمایہ کاری اور توسیع کمپنی کے لئے منافع بخش ہوگی۔ لہذا، کمپنی اپنے بنیادی ڈھانچے کو بہتر بنانے میں سرمایہ کاری کر رہی ہے۔ کمپنی نے سال کے دوران کوہِ نور راولپنڈی سائٹ پر مزید 936 روٹرز اور MVS 384 سپنڈلز کا اضافہ کیا ہے۔ مزید برآں، ایک " گرین" کمپنی بننے پر اپنی توجہ کو مدنظر رکھتے ہوئے، KTML اپنی قابل تجدید توانائی کی صلاحیت کو تیزی سے توسیع، اور مزید شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی نے سال کے دوران اپنی راولپنڈی اور رائے ونڈ سائٹ پر مزید 15 MW سولر پاور جنریشن صلاحیت کا اضافہ کیا ہے۔

ادائیگیوں، ڈیٹ / قرضہ کی نادہندگی

بہترین کاروباری طریقوں پر عملدرآمد کرتے ہوئے، کمپنی واجب الادا رقوم کی بروقت واپس ادائیگی کی اپنی ذمہ داری کو پورا کرتی ہے۔ زیرِ جائزہ سال کے دوران قرضہ / ڈیٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کرائی گئی۔ اس کے علاوہ، مالی سال کے اختتام پر ٹیکسز، ڈیوٹیز اور لیویز کی مد میں کوئی ادائیگی زائد المیعاد یا بقایا نہیں ہے۔

بنیادی خطرات اور غیر یقینی حالات

کمپنی کو درج ذیل بنیادی خطرات اور چیلنجز درپیش ہیں:-

i۔ عالمی اور علاقائی سطح پر مسابقت میں اضافہ کی وجہ سے برآمدی فروخت میں کمی۔

کے لئے محتاط نقطہ نظر کی ضرورت ہوگی۔ اس کے باوجود، اعلی معیار اور پائیدار مصنوعات کی طلب، جو کمپنی کی اہم بنیاد ہے، استحکام ظاہر کر رہی ہے۔ ہم مستقبل میں بھی اسی طرح کے نتائج کی توقع کرتے ہیں۔

کمپنی ٹیکسٹائل کی صنعت میں پائیدار مینوفیکچرنگ کے رہنما اور جدت کے ساتھ آگے بڑھ رہی ہے جس کی نصب شدہ شمسی صلاحیت اپنے تمام مینوفیکچرنگ سائٹس پر اس کی ضروریات سے مطابقت رکھتی ہے۔ کمپنی کی راولپنڈی سائٹ پر، جو اس کے پروسیسنگ ڈپارٹمنٹ کا گھر ہے، زیرو ڈسچارج سسٹم کے اپنے ہدف کو حاصل کر کے ایک سنگ میل حاصل کیا ہے، جس میں مینوفیکچرنگ کے عمل، دفاتر اور منسلک ہاؤسنگ کالونی میں استعمال ہونے والے تمام پانی کو ری سائیکل کیا جاتا ہے۔ آگے بڑھتے ہوئے، کمپنی دوبارہ پانی کے حصول کو مزید بہتر بنانے کے نئے طریقوں کی تلاش کر رہی ہے اور فوسل فیول سے حاصل کردہ توانائی کے ذرائع پر انحصار کو مزید کم کرنے کے لئے بجلی ذخیرہ کرنے کے حل تلاش کر رہی ہے۔

کمپنی نے مالی سال کے لئے کپاس اور دیگر ریشوں کی خریداری شروع کر دی ہے۔ انتظامیہ اپنے خریداری کے منصوبے کے بارے میں محتاط نقطہ نظر اپنا رہی ہے کیونکہ افق پر تیزی سے گراوٹ کے تاثر کے ساتھ اجناس کی قیمتوں کے بارے میں بہت زیادہ غیر یقینی صورتحال ہے۔

مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، کمپنی کی فروخت 38 فیصد کے اضافہ سے 58,175 ملین روپے (2023: 42,047 ملین روپے) رہی، جبکہ فروخت کی قیمت 41 فیصد کے اضافہ سے 48,888 ملین روپے (2023: 34,566 ملین روپے) زیادہ ہوئی۔ اس کے نتیجے میں مجموعی منافع 9,287 ملین روپے (2023: 7,480 ملین روپے) رہا۔ زیرِ جائزہ سال کے لئے آپریٹنگ منافع 6,543 ملین روپے (2023: 5,131 ملین روپے) رہا۔ کمپنی نے ٹیکس کے بعد منافع 2,199 ملین روپے (2023: 2,407 ملین روپے) درج کیا ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 8.05 روپے کے مقابلے موجودہ سال میں 8.07 روپے ہے۔

گروپ کا مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، گروپ کی مجموعی آمدنی بڑھ کر 124,613 ملین روپے (2023: 104,120 ملین روپے)، جبکہ فروخت کی قیمت بڑھ کر 92,131 ملین روپے (2023: 76,570 ملین روپے) ہو گئی۔ اس کے نتیجے میں مجموعی منافع 32,482 ملین روپے (2023: 27,549 ملین روپے) ہوا۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 21.55 روپے کے مقابلے موجودہ سال میں 41.72 روپے رہی ہے۔

ڈیویڈینڈ اور تصرفات

منفی عوامل، خاص طور پر زیادہ شرح سود، خام مال کی قیمتوں میں اضافہ اور بجلی کی زیادہ لاگت کے نقد بہاؤ پر دباؤ کی وجہ سے، ڈائریکٹرز نے کوئی بھی ڈیویڈینڈ ادا کرنے میں عدم استطاعت کا اظہار کیا اور 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے شیئر ہولڈرز کو حتمی نقد منافع کی سفارش نہیں کی۔ تاہم، کمپنی کی انتظامیہ کافی حد تک ڈیلیوریج اور تسلی بخش آپریٹنگ کیش فلو کے بعد نقد ڈیویڈینڈ کے ذریعے شیئر ہولڈرز کو ادائیگی کے ایک مستحکم سلسلہ کے لیے پُرعزم ہے۔

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون 2024ء مختتمہ سال کیلئے 56 ویں سالانہ رپورٹ معہ نظرثانی شدہ مالیاتی گوشوارے اوران پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اصل سرگرمی

کوہِ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کمپنیز ایکٹ 1913 (اب کمپنیز ایکٹ 2017) کے تحت پاکستان میں قائم شدہ ایک پبلک لمیٹڈ کمپنی اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج شدہ ہے۔ کمپنی کا رجسٹرڈ دفتر 42 لارنس روڈ، لاہور پر واقع ہے۔ کمپنی کا اصل کاروبار یارن اور کپڑے کی تیاری، کپڑے کی پروسیسنگ اور سٹچنگ اور ٹیکسٹائل مصنوعات کی تجارت کرنا ہے۔

آپریشنز کا جائزہ

زیرِ جائزہ سال کے دوران، کمپنی کا مجموعی منافع پچھلے سال کی سطح پر ریکارڈ کیا گیا، باوجود اس کے کہ مالی اخراجات اور توانائی کی شرحوں میں بہت تیزی سے اضافہ ہوا۔ زیادہ لاگت کے اثرات کو پیداوار میں اضافے سے کسی حد تک کم کیا گیا کیونکہ نئے آلات کام میں لائے گئے اور مختلف ڈویژنوں میں صلاحیت کے استعمال میں بہتری آئی۔ مسلسل سست روی کی وجہ سے تمام ڈویژن بہترین سطح پر کارکردگی کا مظاہرہ کرنے کے قابل نہیں تھے۔

توانائی کی زیادہ لاگت کی وجہ سے اسپننگ ڈویژنوں کے نتائج میں قدرے کمی واقع ہوئی لیکن صلاحیتوں میں بہتری کی وجہ سے فروخت میں اضافہ ہوا۔ تاہم، حالیہ زیادہ مالی اخراجات بالآخر بعد از ٹیکس منافع کو کم کر دیں گے۔ ری سائیکلنگ اور سرکلر اکانومی ٹیکنالوجیز میں سرمایہ کاری کی جا رہی ہے اور اس سے منافع میں اضافہ اور آگے چل کر لاگت کو کم کرنا چاہئے۔ یہ سرمایہ کاری مالی سال 2025 کے اختتام تک آپریشنل ہو جائے گی۔ اسپننگ ڈویژنوں کو مقامی پیداوار میں استعمال ہونے والے درآمد شدہ فائن کاؤنٹ یارن کے استعمال میں اضافے کے باعث متعدد مشکلات کا سامنا ہے، جو براہ راست کمپنی کی اہم مصنوعات کے ساتھ مقابلہ کرتے ہیں۔ اس چیلنج سے نمٹنے کے لئے، کمپنی زیادہ منافع بخش اعداد و شمار محرک ہونے کی اجازت دینے کے لئے وسیع پیمانے پر کاؤنٹ یارن تیار کرنے کی اپنی صلاحیت میں اضافہ کر رہی ہے۔ یہ سرمایہ کاری منصوبہ بندی کے مرحلے میں ہے اور تقریباً ایک سال میں آپریشنل ہو جائے گی۔

برآمدات اور صلاحیت کے استعمال میں اضافے کی وجہ سے آمدنی میں بڑے پیمانے پر اضافہ کے باوجود ویونگ ڈویژن کے نتائج پچھلے سال کی طرح ہی ہیں۔ ان اضافوں کو زیادہ شرح سود اور ورکنگ کیپیٹل کی ضروریات کی وجہ سے مالی اخراجات میں بڑے پیمانے پر اضافے سے پورا کیا گیا تھا۔ ہم توقع کرتے ہیں کہ آئندہ سال میں ڈویژن کے نتائج میں بہتری آئے گی کیونکہ نئی مارکیٹوں میں قدم رکھنے، ورکنگ کیپیٹل پر سخت کنٹرول اور شرح سود میں کمی سے منافع میں بہتری آنے کی توقع ہے۔

برآمدات میں اضافے کے باوجود ہوم ٹیکسٹائل ڈویژن کے نتائج گزشتہ سال کے نتائج سے جیسے ہی ہیں۔ تاہم، بڑھتی ہوئی فروخت کا اثر زیادہ توانائی اور ورکنگ کیپیٹل اخراجات کی وجہ سے کسی حد تک کشیدہ ہوا۔ کمپنی زیادہ پیچیدہ، غیر روایتی مصنوعات میں ترقی اور منافع تلاش کرنے کی کوشش میں زیادہ یونٹ ویلیو پروڈکٹ لائنوں کی پیروی جاری رکھے ہوئے ہے۔ ایسی مصنوعات کی تیاری کے لئے سرمایہ کاری جاری ہے۔ درآمد کرنے والے ممالک میں کساد بازاری کے رجحانات کی وجہ سے قیمت اور طلب میں کمی نے صنعت میں کچھ غیر یقینی صورتحال پیدا کر دی ہے اور آگے بڑھنے

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