KTM

Kohinoor Textile Mills Limited

annual report 2021

www.kmlg.com/ktml

IN THIS REPORT

KTM Kohinoor Textile Mills Limited

At Kohinoor Textile Mills Limited (KTML), we bring color and creativity in our monotonous and melancholic lifestyle. The fabric knitted to perfection with multitudes of colors paving their way through creating stupendous designs are meant to bring color and joy to the stakeholders of KTML. We are striving to snowball this venture to ultimate growth contributing to the economy of Pakistan and playing role it needs in order to make Country climb to the zenith!

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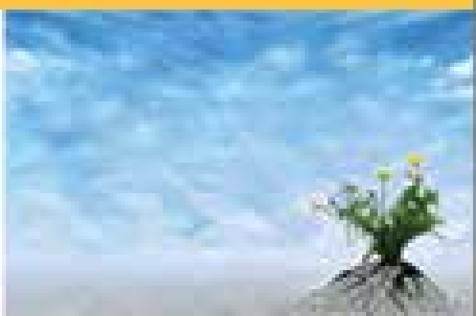


ABOUT THE REPORT

KOHINOOR TEXTILE MILLS LIMITED (KTML) corporate Annual Report 2021 covers the period from 1st July 2020 to 30th June 2021. 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 and does not include any information or data related to its associated companies unless where required by legal and corporate regulations.

Annual Report 2021 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 2021 have been prepared in compliance of provisions and directives of Companies Act, 2017 and Code of Corporate Governance Regulations, 2019. Independent auditor's report is also part of Annual report 2021. 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

2021
YEAR AT A GLANCE

GROSS PROFIT
RUPEES IN THOUSAND
6,132,628

PROFIT BEFORE TAX
RUPEES IN THOUSAND
3,397,709

REVENUE
RUPEES IN THOUSAND
29,955,525

PROFIT AFTER TAX
RUPEES IN THOUSAND
2,756,329

SHAREHOLDERS EQUITY
RUPEES IN THOUSAND
20,157,557

GROSS PROFIT RATIO
20%

RETURN ON FIXED ASSETS
26%

CASH FLOW FROM OPERATIONS TO SALES
10%

CURRENT RATIO
1.04

EARNINGS PER SHARE BASIC
Rs. 9.21

CUSTOMER SERVICE PLAN

01

ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

COMPANY PROFILE & PRINCIPAL BUSINESS ACTIVITIES

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

The Company's spinning production facilities now comprise 158,544 ring spindles capable of spinning a wide range of counts using cotton and Man-made fibers. 2,712 open end rotors at Rawalpindi for spinning and 288 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 for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access. Fully equipped laboratory facilities for quality control and process optimization have been setup at all three sites.

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 endeavour 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.


KTM
Kohinoor Textile Mills Limited

OUR PRODUCTS

Product Portfolio – To cater to 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 sell 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


MSC-F
2
MSC-F
1

COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser

Mr. Abdul Rehman Qureshi
Advocate High Court

Registered Office

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

Share Registrar

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

Bankers of the Company

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

Mills

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

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

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

Website:

www.kmlg.com

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

Video presentation of CEO detailing financial performance of the Company is also available on 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.


www.prowhite.eu

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

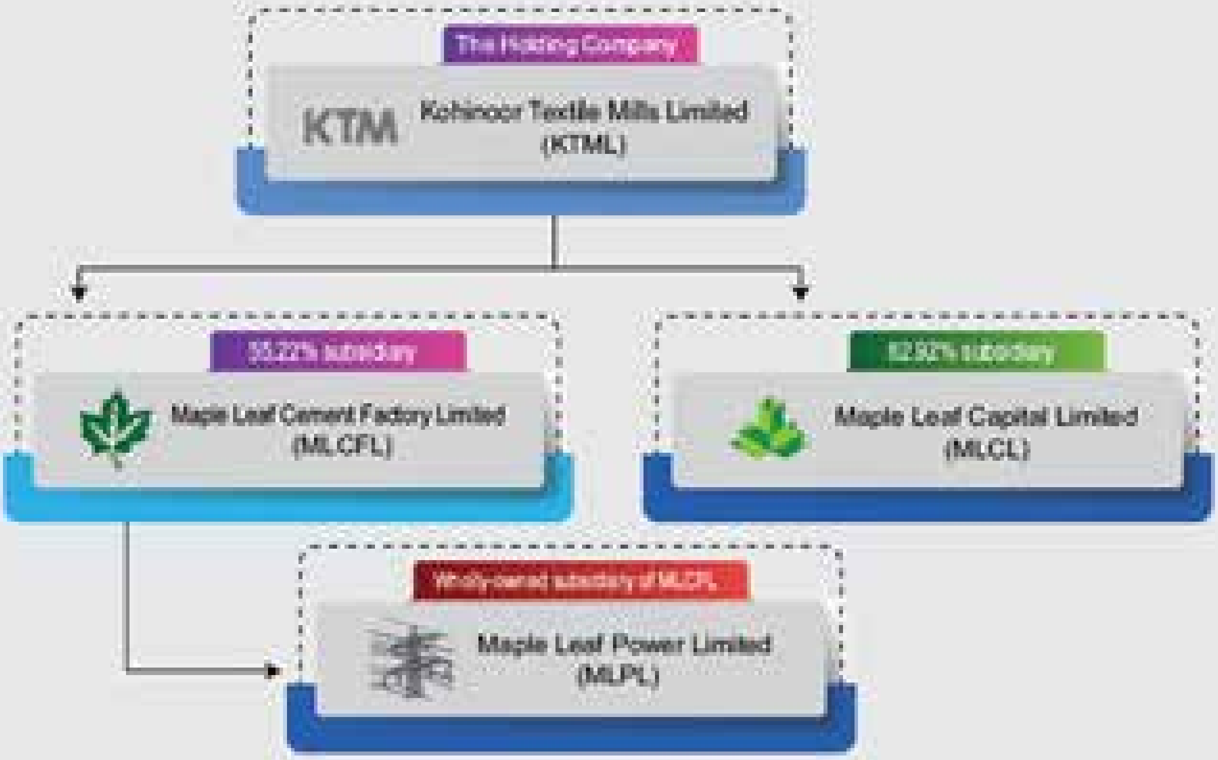
We ensure adherence to moral and ethical principles; we act with honesty, we do not compromise our values.

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 two unlisted public limited companies i.e. Maple Leaf Capital Limited (MLCL) and Maple Leaf Power Limited (MLPL).



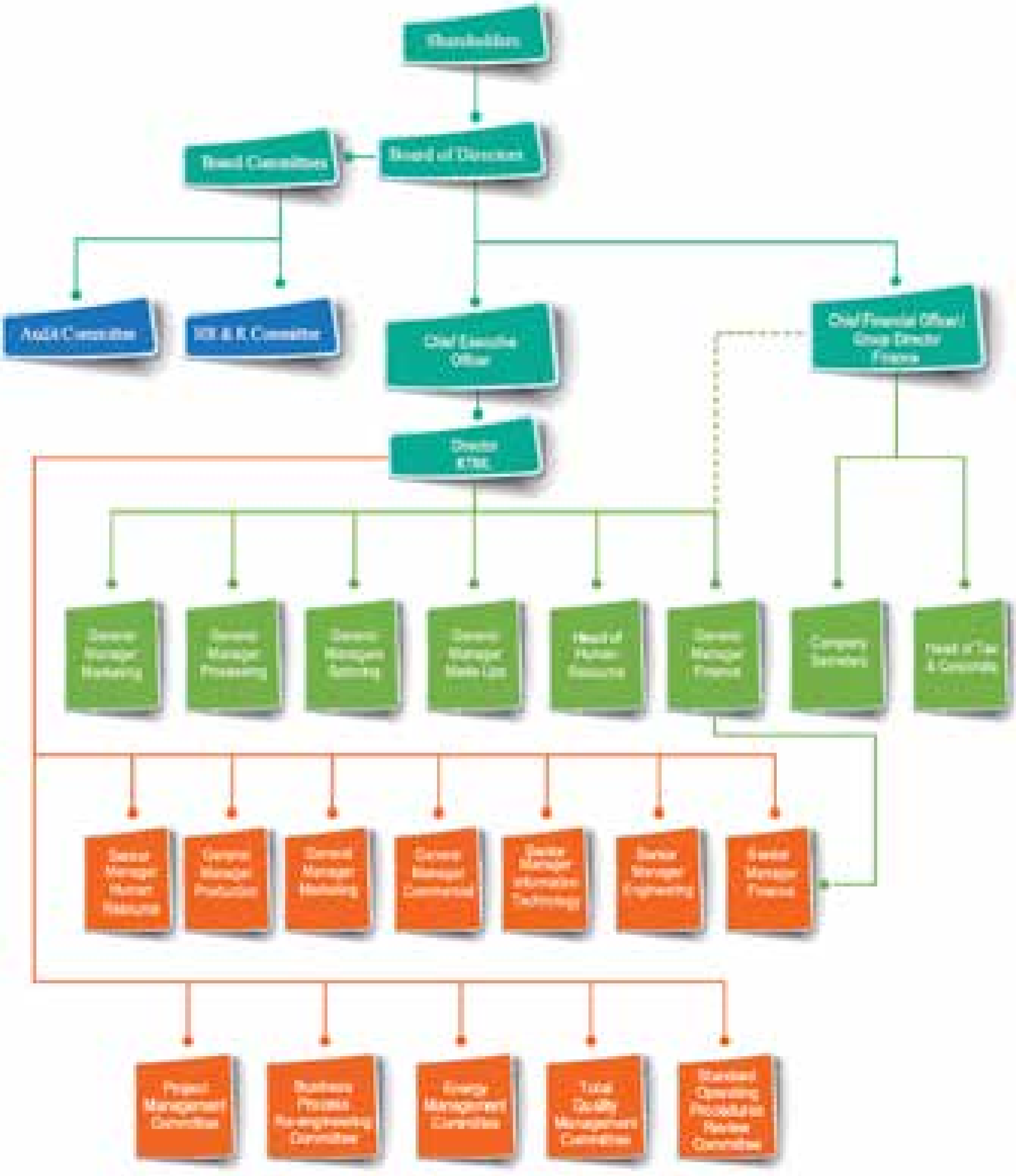
Kohinoor Textile Mills Limited is a parent Company of other three below mentioned Companies. The initial capacity of its Rawalpindi Unit comprised 25,000 spindles and 600 looms. Later, fabric processing facilities were added and spinning capacity was augmented. Additional production facilities were acquired 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. Project has provided a cushion against current bullish trend in furnace oil prices and is the cheapest source of electricity after waste heat recovery plant.

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.

ORGANIZATION
CHART



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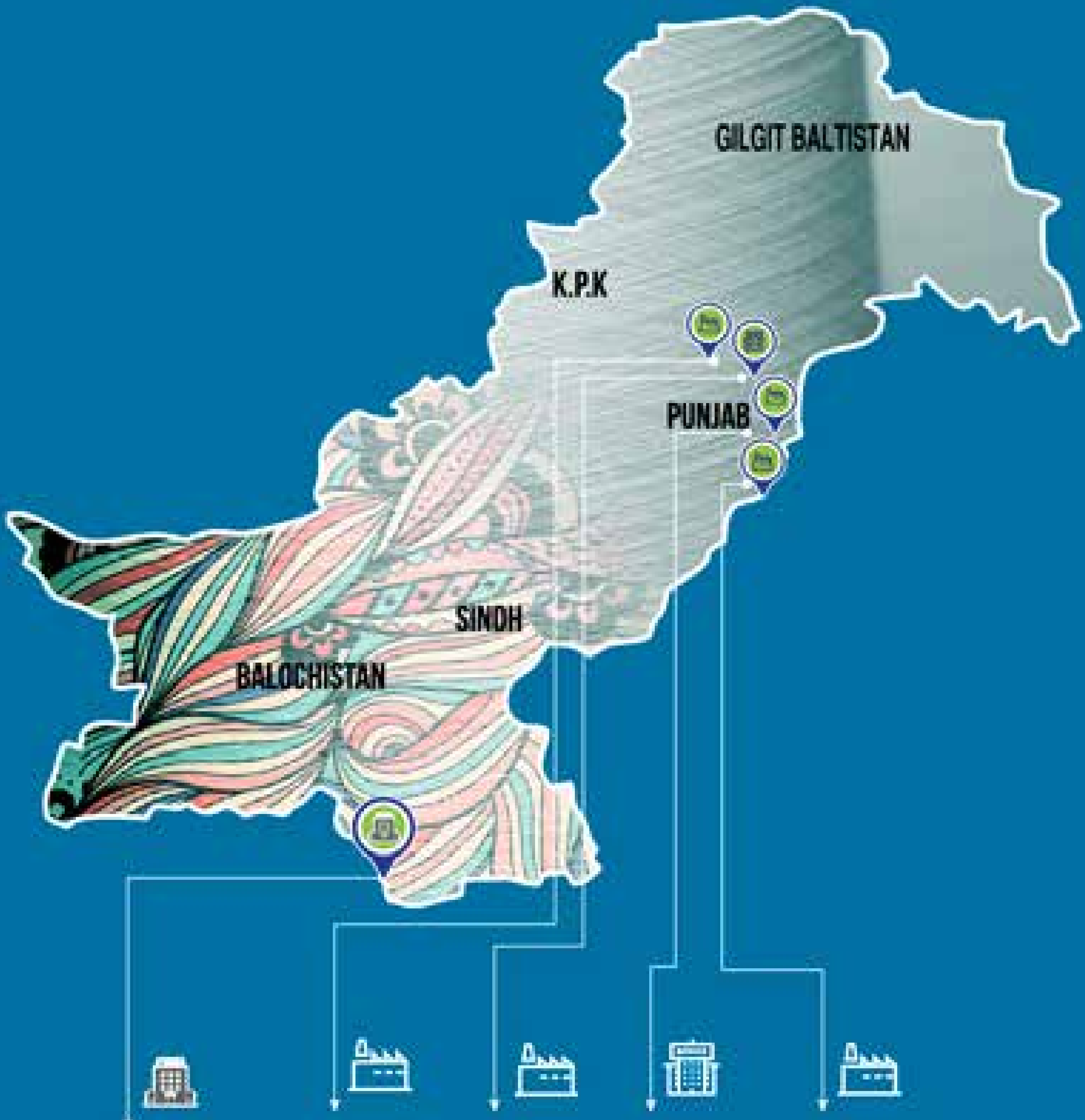
GEOGRAPHICAL PRESENCE



Regional Sales Office
25-West Wharf Road,
Karachi

Mills:
Gulyana Road,
Gujar Khan,
Rawalpindi

Mills:
Peshawar Road,
Rawalpindi

Head office
40 - Lawrence
Road, Lahore

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

VALUE CHAIN ANALYSIS

KTML's principal business activity is to produce and sell yarn, grey 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 fibre 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 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 is also high. In order to remain competitive, it is compulsory for the organization to remain update 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.

KTML has always been the first priority of renowned international brands due to its superior quality. This distinction is giving an edge to the Company in such an intense competitive environment.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

Home Textile products are exported mostly in Western world. Sales of the Company show significant increase in first half of the year due to spiritual Christmas occasion. Thereafter demand little bit slows for some time. As far as spinning segment is concerned KTML strength is to produce fine count of yarn that is used for summer suiting. Sales significantly increase in winter because cotton / lawn dresses are being prepared across the market in winter season to meet requirements.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There is no change in group structure since prior year. External environment is constantly changing and rise in raw material prices globally followed by devaluation of Pak. Rupee in comparison to US Dollar have affected the profitability of the Company.

SERVICE MIND

02

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC OBJECTIVES 2021-2022

Following are the main areas that constitute the strategic objectives of Kohinoor Textile Mills Limited: -

Short Term Objectives

1. Effective use of available resources; and
2. Improved capacity utilization of the Company's production facilities;

Medium Term Objectives

3. Effective marketing and innovative concepts;
4. Modernization of production facilities to ensure the most effective production;
5. Further improvements in implementation of Code of Corporate Governance through optimization of management processes;
6. Strengthening independence in terms of secure supply of low-cost services and resources, including energy supply, transportation and logistics services;

Long Term Objectives

7. Explore alternative energy resources;
8. 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;
9. Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions; and
10. Implementation of projects in the social and economic development of communities.

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 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 2020-21 and will continue in the year 2021-22. 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 stakeholder. 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.

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.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

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.

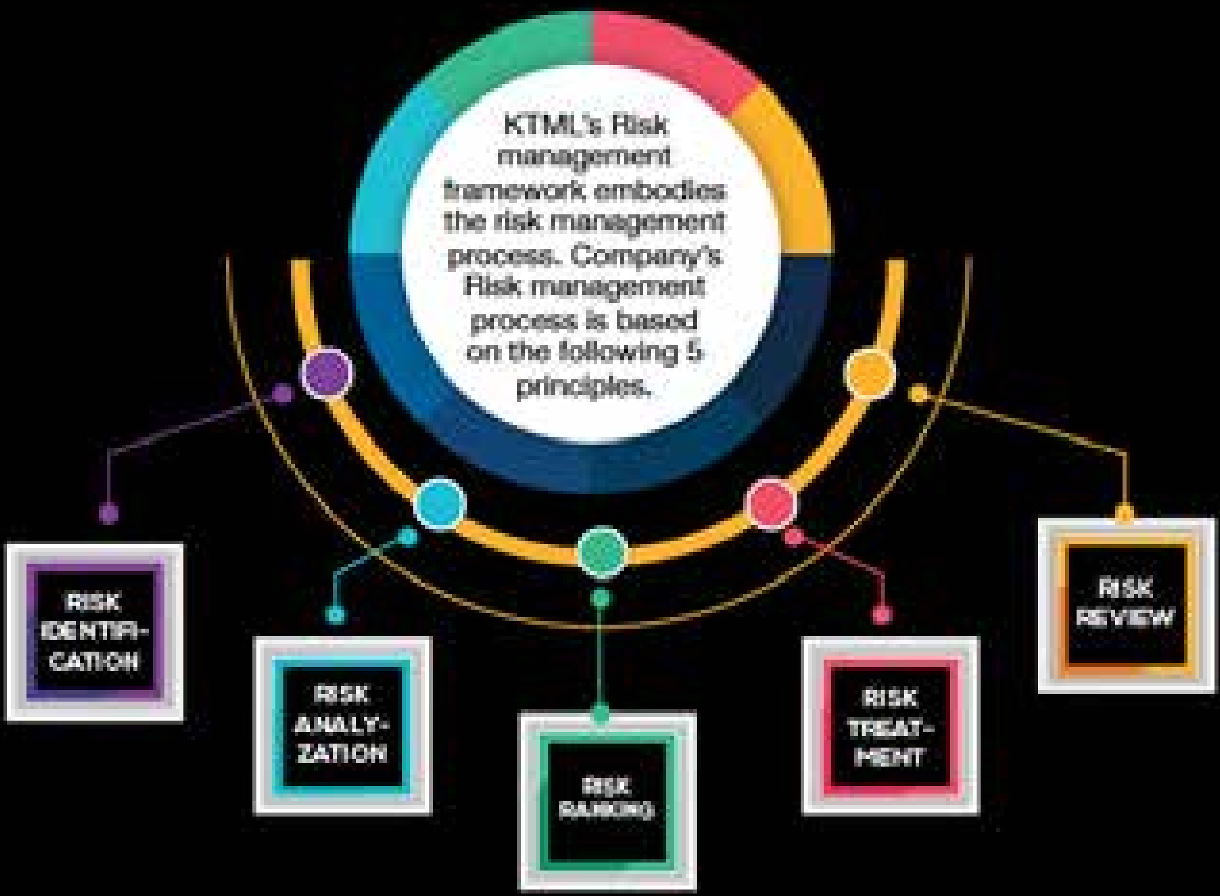
The Company continues its efforts to maintain debts at a reasonable level which supports the long term objectives of the company and improve its liquidity position. Keeping in line with plant modernization strategy, The Company continued its strategy to utilize maximum cash profits for the payment of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

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

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.

RISK MANAGEMENT FRAMEWORK INCLUDING RISK MANAGEMENT METHODOLOGY



- Risk identification: This process identifies the risks that the business is exposed to in its operating environment.
- Risk Analyzation: This process analyzes the impact of perceived risk on the operations of the Company.
- Risk Ranking: Process identifies the risk ranking in order to ascertain the appropriate management response.
- Risk Treatment: This process identifies the appropriate management response to address the consequences of risk on Company's performance.
- Risk Review: Process helps management to ascertain the efficiency of risk treatment. It also helps management to make necessary amendments in the plan, if any.

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' 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 OPPORTUNITIES
Financial Capital	Increased raw material and power cost	Resumption in business activities after prolonged covid-19 lockdown and future reduction in interest rates.
Human Capital	Loss of qualified and competent staff	Bagging unparalleled and ideal workforce from the market.
Manufacturing Capital	Obsolescence of technology	Investing in the latest technologies and state of the art equipment.
Social and Relationship Capital	Bad reputation and publicity	Building relationships along the value chain and developing the Company portfolio.
Natural Capital	Water shortages	Power generation through Solar based power plants. Large scale rain water harvesting project to minimize water shortage.

C. RISK ASSESSMENT

Risk assessment is an on-going process that highlights numerous uncertainties that poses potential threats which may hinder the accomplishment of objectives of the Company. If these risks are not being addressed in timely manner, may culminate in loss. Such risks and uncertainties can arise both from external as well as internal factors within the Company. Broad categories of risks which may hinder operations of the Company are as follows:

RISKS TYPE	IMPLICATION
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.

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, under-standing 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 raw material & 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 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 of 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 minimum level the 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 operation 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.

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 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 recent completed 2-MW solar power plant in addition to existing 5-MW solar plant further 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.

PROACTIVE SERVICE FOR EXCELLENCE

03

CORPORATE GOVERNANCE AND COMPLIANCE

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on Tuesday, September 28, 2021 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, 2021 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2) To approve final cash dividend for the year ended June 30, 2021 at Re. 1/- per share i.e. 10%, as recommended by the Board of Directors. This is in addition to the interim cash dividend already paid to the shareholders at Re. 1/- per share i.e. 10%, thus making a total cash dividend at Rs. 2/- per share i.e. 20% for the year.

3) To appoint Auditors for the year ending on June 30, 2022 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:

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 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, 2021 to October 31, 2022 (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 27, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,500 million which is valid till October 31, 2021.

   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 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, 2021 to October 31, 2022 (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 27, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 500 million which is valid till October 31, 2021.

   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."

6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2021 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, 2021 and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed."

7) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2022 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, 2022.

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

(Muhammad Ashraf)
Company Secretary

Lahore:
September 07, 2021

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on September 21, 2021 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity. In case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form. 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. A member shall not be entitled to appoint more than one proxy.

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.

4. In light of the threat by the evolving coronavirus (COVID-19) situation, the Securities and Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

   The shareholders who are interested to attend the AGM through Video Conferencing, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 72 hours before the time of AGM (i.e. before 12:00 Noon on September 25, 2021) through following means:

   a) Mobile/WhatsApp: 0321-7775170
   b) E-mail: muhammad.ashraf@kmlg.com

   Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and e-mail ID for identification.

   Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/ computer devices.

   In view of the above, the shareholders can also provide their comments/suggestion for the proposed agenda items of the AGM by using the aforesaid means.

5. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility. The audited financial statements for the year ended June 30, 2021 are available on website of the Company. Further, the Company has sent its Annual Report 2021 through CD/DVD/USB to the shareholders at their available Registered Addresses instead of hard copy. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder.

6. Shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;

7. 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 this Act, 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 Ltd.

8. Shareholders are requested to notify / update the following information & documents with their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier notified / updated: -

a. Change in their addresses;

b. Pursuant to requirement of Section 242 of the Companies Act, 2017, any dividend payable in cash declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, shareholders who have not yet provided / updated their International Bank Account Number (IBAN) details, are requested to furnish the information as provided on website of the Company on priority basis. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017;

c. 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, 3-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number 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;

d. Filer & Non-Filer shareholders will pay tax on dividend income @15% and 30% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before entitlement date i.e. September 21, 2021, otherwise tax on their cash dividend will be deducted @30% instead of 15%;

e. As per clarification of FBR, each joint holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholder(s) may notify in writing within 07 days from entitlement date i.e. September 21, 2021 as per following format to our Share Registrar. If no notification is received to our Share Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s): -

Folio / CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)		Signature(s)
		Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)	

f. Withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore;

g. Members are requested to submit their Notarized Declarations (CZ-50) as per Zakat & Ushr Ordinance, 1980 if they want to claim exemption towards non-deduction of zakat on cash dividend;

h. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-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 September 28, 2021.

AGENDA ITEM NUMBER 4 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 55.22% 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 August 13, 2021 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.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried

out necessary due diligence for the proposed investment in MLCFL and it has been kept at the Registered Office of the Company for inspection of the members along with audited financial statements of MLCFL as required under the Regulations.

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 "KTML") and the KTML holds 55.22% of the aggregate paid-up capital in MLCFL.
(iii)	Earnings per share for the last three years;	**(Rupees)** **Year** / **Basic** / **Diluted** 30.06.2019 / 2.13 Restated / 2.13 Restated 30.06.2020 / (5.30) / (5.30) 30.06.2021 / 5.69 / 5.69
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2021 With revaluation surplus Rs. 34.18 Without revaluation surplus Rs. 31.37
(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 2021 the financial position of MLCFL is as under: -

Particulars	Amount Rupees (000)
Paid up capital	10,983,462
Capital reserves	6,588,813
Accumulated profits	16,880,291
Surplus on revaluation of fixed assets–net of tax	3,089,975
Current liabilities	11,449,448
Current assets	16,923,416
Sales - Net	35,640,181
Gross profit	7,504,762
Operating profit	8,783,531
Net profit	6,254,109
Earnings per share (Rs.)	5.69


DELTA

(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 KTML 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 KTML's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2021 to October 31, 2022.</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 KTML.</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 KTML'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 KTML, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2022</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. KTML is a holding company of MLCFL and Nine 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 KTML.
(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. 1,500 million from time to time for working capital requirements has been granted by the valued shareholders of KTML vide special resolution passed in the Annual General Meeting held on October 27, 2020 which is valid till October 31, 2021. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans, 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 KTML is 3.17% for the year ended June 30, 2021.
(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 KTML, 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 KTML.
(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, 2021 to October 31, 2022 (both days inclusive). MLCFL will pay interest/mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2022.

Eight Directors and Sponsors of associated company i.e. MLCFL are also the members of KTML and are interested to the extent of their shareholding as under: -

Name	%age of shareholding in MLCFL	%age of shareholding in KTML
Mr. Tariq Sayeed Saigol	0.0030	4.2260
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	0.0164	10.1495
Mr. Taufique Sayeed Saigol	0.0015	14.5090
Mr. Sayeed Tariq Saigol	0.0010	0.1286
Mr. Waleed Tariq Saigol	0.0010	0.0112
Mr. Danial Taufique Saigol	0.0005	0.0010
Ms. Jahanara Saigol	0.0002	0.0008
Mr. Shafiq Ahmed Khan	0.0014	0.0010
Mr. Zulfikar Monnoo	0.0003	0.0010

AGENDA ITEM NUMBER 5 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 August 13, 2021 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 relating to the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with the latest audited accounts of the subsidiary 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 "KTML") and the KTML holds 82.92% of the aggregate paid-up capital in MLCL.		
(iii)	Earnings per share for the last three years;			(Rupees)
			Basic	**Diluted**
		30.06.2019	0.88 Restated	0.88 Restated
		30.06.2020	(2.04)	(2.04)
		30.06.2021	13.66	13.66
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2021 is Rs. 28.36		
(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 2021, the financial position of MLCL is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up capital	3,015,000	
		Unappropriated profit	5,534,932	
		Total equity	8,549,932	
		Current liabilities	1,863,499	
		Current assets	10,681,436	
		Revenue	5,013,141	
		Profit from operations	4,845,867	
		Profit after taxation	4,119,033	
		Earnings Per Share Rs.	13.66	

(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 KTML 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 KTML's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2021 to October 31, 2022.</td></tr>
<tr><td rowspan="2">(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 KTML.</td></tr>
<tr><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 MLCL which will augment the KTML'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 KTML, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2022</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 KTML 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 KTML.
(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.500 million from time to time for working capital requirements has been granted by the valued shareholders of KTML vide special resolution passed in the Annual General Meeting held on October 27, 2020 which is valid till October 31, 2021. There is no impairment and/or write off against the above facility.
(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 KTML is 3.17% for the year ended June 30, 2021.
(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 KTML, 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 company of KTML.

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, 2021 to October 31, 2022 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2022.

Five Directors and Sponsors of associated company i.e. MLCL are also the members of KTML and are interested to the extent of their shareholding as under: -

Name	%age of shareholding in MLCL	%age of shareholding in KTML
Mr. Taufique Sayeed Saigol	8.3748	14.5090
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	10.1495
Mr. Sayeed Tariq Saigol	-	0.1286
Mr. Waleed Tariq Saigol	0.3648	0.0112
Mr. Danial Taufique Saigol	-	0.0010
Ms. Jahanara Saigol	-	0.0008

AGENDA ITEM NUMBER 6 OF THE NOTICE – RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS

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, 2021 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, 2021. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2021	2020
		Rupees in thousand		
Maple Leaf Cement Factory Limited	Subsidiary Company	Purchase of goods and services	144,968	114,281
		Investment made	-	3,343,934
		Sale of property, plant and equipment	3,533	-
		Dividend income	-	163,918
		Expenses paid by MLCFL on behalf of the Company	5,265	-
		Common expenses	14,050	22,152
		Loan given	-	870,000
		Receipts against loan	-	870,000
		Mark up charged on loans	-	21,297
Maple Leaf Capital Limited	Subsidiary Company	Loan obtained	-	1,250,000
		Loan repaid	445,216	804,784
		Mark-up on loans	2,004	80,308
		Purchase of property, plant and equipment	3,533	-
		Sale of property, plant and equipment	1,594	-
Provident fund	Post-employment benefit plan	Contribution to provident fund	65,616	57,896

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (2020: 73,390,896) and 49,639,992 [16.59%] (2020: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (2020: Rupees 128,434,068) and Rupees 99,279,984 (2020: Rupees 86,869,986) respectively was paid during the year.

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 7 OF THE NOTICE – AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THE RELATED PARTY TRANSACTIONS DURING THE YEAR ENDING ON JUNE 30, 2022.

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2022 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, 2022, 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, 2021 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2020-21. The Management of the Company is encouraged by the future prospects and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Kohinoor Textile Mills Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2021 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2021, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD:

The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possess the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS:

The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING:

Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion of production facilities to ensure continued growth in the bottom line which should hopefully result in improved results.

DILIGENCE:

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda alongwith working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE:

The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, alongwith supporting policies and procedures. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved. The Board sets high standards of honesty and integrity which we consider are vital for success of the business.

PRESENTATIONS:

During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.

Lahore
13 August 2021

Tariq Sayeed Saigol
Chairman


JWF1566EJM
CTMC

DIRECTORS' REPORT TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors are pleased to present 53rd Annual Report along with audited financial statements and Auditors' Report thereon for the year ended 30 June 2021.

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, profitability of the Company recorded an impressive increase over the previous year, despite ill effects of the ongoing Coronavirus pandemic, much increased global freight rates, and fluctuations in foreign exchange rates. This improved performance can be attributed to timely purchases of raw materials and the Company's continuing upgradation of plant and machinery which resulted in improved quality and productivity.

The results of the Company's Spinning divisions have been the main driver of improved profitability due to increased selling rates as a result of high local and international demand and our raw material procurement policy. The Company continues to invest in increasing capacity, improving quality, and adding new spinning technologies to further diversify its yarn offerings. These continue to come online and should lead to improved financial results going forward.

Cotton prices are on the rise internationally. The Company is carrying ahead with its cautious raw material procurement policy as it continues its purchasing for the current year. Moving forward, the Company will continue to focus on international sourcing of cotton as local supplies are costly and output is expected to be lower than the needs of the local industry. Additionally, the Company is focusing on greater use of synthetic fibres to reduce dependence on cotton.

The results of the Weaving division improved over the previous year in spite of high yarn prices and tight supply situation of yarn imports. As demand is expected to increase out of Pakistan in the coming years, the Company is currently in the planning stages of a capacity increase at its Raiwind site.

The Home Textiles division did not perform as well as the previous year. This is due in large part to a many fold increase in freight rates, high yarn prices which retailers internationally were unable to absorb, as well as, unexpected movements in the exchange rate. Demand from the Company's institutional customers suffered due to hotel closures and travel bans which significantly impacted the tourism industry and had a negative effect on the bottom-line. However, with ever-increasing rates of vaccination globally, the Company is optimistic that the division will see a return to its earlier performance during the current year. The Company continues to focus on balancing and modernization to increase quality and productivity.

To keep up with its Sustainability focus, the Company continues to make large investments in green technologies. An additional large-scale Solar energy project is underway and by December 2021 should bring the Company's total Solar capacity to above 11 Megawatts, with further projects to follow. Additionally, the Company is continuing efforts to minimize its usage of water and increase water storage and recycling capabilities.

We remain hopeful that the Government continues its energy policy for supply of electricity and natural gas to the textile sector which will go a long way in supporting the Country's exporting industries. The Government's ongoing efforts to vaccinate the general public is appreciated, and the Company has adopted strict policies to get its employees and their families vaccinated as soon as possible. We commend the Government's efforts to provide its people with free vaccines.

It is hoped that the financial results of the Company will continue to improve in the coming year, as the Company's investments in its people, plant, and machinery continue to bear fruit and as the global economy recovers from the effects of the pandemic.

FINANCIAL REVIEW

During the year under review, Company's sales increased by 37% to Rs. 29,956 million (2020: Rs. 21,845 million), while cost of sales increased by 33% to Rs. 23,823 million (2020: Rs. 17,855 million). This resulted in gross profit of Rs. 6,133 million (2020: Rs. 3,990 million). Operating profit for the year under review stood at Rs. 4,061 million (2020: Rs. 2,681 million). The Company recorded after tax profit of Rs. 2,756 million (2020: Rs. 1,528 million). Earnings per share for the year ended 30 June 2021 stood at Rs. 9.21 against Rs. 5.11 for the last year.

GROUP FINANCIAL REVIEW

During the year under review, Company's consolidated revenue increased to Rs. 65,451 million (2020: Rs. 50,848 million), while cost of sales increased to Rs. 49,998 million (2020: Rs. 45,977 million). This resulted in gross profit of Rs. 15,453 million (2020: Rs. 4,871 million). Earnings /(Loss) per share for the year ended 30 June 2021 were Rs. 28.26 against Rs. (3.32) for the last year.

DIVIDEND & APPROPRIATIONS

Keeping in view the results, the Board of Directors has announced final cash dividend for the year ended June 30, 2021 at Re. 1/- per share (10%). This is in addition to interim cash dividend already paid at Re. 1/- per share (10%), thus making a total cash dividend at Rs. 2/- per share (20%) for the year. Future prospects of dividend are dependent on future economic conditions.

The Directors recommend as under:

Description	Rs. "000"
Profit before taxation	3,397,709
Provision for taxation	(641,380)
Profit after taxation	2,756,329
Final dividend declared for the year ended 30 June 2020	(299,296)
Interim dividend declared during the year ended 30 June 2021	(299,296)
Accumulated profit brought forward	8,698,514
Accumulated profit carried forward	**10,856,251**

SUBSEQUENT EVENTS

There are no subsequent event 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

Company has planned an additional large-scale Solar energy project that will be live by December 2021 and will bring the Company's total Solar capacity to above 11 Megawatts. In addition to that as demand is expected to increase out of Pakistan in the coming years for textile products, the Company is currently in the planning stages of a capacity increase at its weaving division.

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 export sales due to increased competition at global as well as regional levels.
ii. Rupee devaluation causing escalation in prices of imported raw cotton, packaging and dyes, which truncating profit margins.
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 specialised 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 provide cheap source of Short term/Long term financing for export oriented textile based Companies has significant impact on financials of the Company. In addition to these Duty Drawback on local Taxes & Levies (DLTL) scheme is also an excellent opportunity from Government that support the exporters in efficient financial management.

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.

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 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.

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 appointment of M/s. Riaz Ahmad & Co., Chartered Accountants, the retiring auditors who being eligible, have offered themselves for re-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

LIST OF 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. The attendance of each Director was as under: -

CATEGORY	NAMES	MEETINGS ATTENDED
Independent Directors	Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo	4 4
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Sayeed Tariq Saigol Mr. Waleed Tariq Saigol	4 3 4
Executive Directors	Mr. Taufique Sayeed Saigol *Chief Executive Officer* Mr. Danial Taufique Saigol Syed Mohsin Raza Naqvi	4 4 4
Female Director *Non-Executive Director*	Ms. Jahanara Saigol	4

Leave of absence was granted to the Director who could not attend the Board Meeting.


OEFF 96.1%
VORTEX
870

AUDIT COMMITTEE

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

NAMES	DESIGNATION	MEETINGS ATTENDED
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)	4
Mr. Zulfikar Monnoo	Member (Independent Director)	4
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)	3
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)	1

Leave of absence was granted to the Members who could not attend the Audit Committee Meetings.

Mr. Shafiq Ahmed Khan, the Chairman Audit Committee was present in the last AGM held on October 27, 2020.

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

NAMES	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

One meeting was held on December 23, 2020 and all Members attended the meeting other than Mr. Sayeed Tariq Saigol.

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.10, 000/- (Rupees ten thousand only) per meeting or as time to time determined by the Board for attending the Board and 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.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2021 is annexed.

FUTURE OUTLOOK

It is hoped that the financial results of the Company will continue to improve in the coming year, as the Company's investments in its people, plant, and machinery continue to bear fruit and as the global economy recovers from the effects of the pandemic. We remain hopeful that the Government continues its energy policy for supply of electricity and natural gas to the textile sector which will go a long way in supporting the Country's exporting industries. The Government's ongoing efforts to vaccinate the

general public is appreciated, and the Company has adopted strict policies to get its employees and their families vaccinated as soon as possible. We commend the Government's efforts to provide its people with free vaccines.

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 13 August 2021	(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, 2021**

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. Further, at the time of election of directors, no one as per procedure intended to contest election as director representing minority shareholders;

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;

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 these 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. Three Directors have obtained certificate for Directors' Training Program and Five 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 within a period of one year from the date of appointment as a director is non-mandatory and compliance will be made in due course.
7.	Mr. Shafiq Ahmed Khan	Director in Trust Investment Bank Limited from 1997 to 2009 and Director of the Company since 2014
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 over the 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
Mr. Shafiq Ahmed Khan	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. Shafiq Ahmed Khan	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (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 shall consider to constitute nomination committee after next election of directors;

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 shall consider to constitute risk management committee after next election of directors;

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, 2021.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended June 30, 2021.

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: 13 August, 2021

Riaz Ahmad & Company
Chartered Accountants

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racoisd@racopk.com
www.racopk.com

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 2021 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 2021.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad
Date: 13 August, 2021

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 2020-2021. 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 2021-2022.

On behalf of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
13 August 2021

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

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited

CHAIRMAN / DIRECTOR
Maple Leaf Capital 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

Mr. Sayeed Tariq Saigol is the Chief Executive of Maple Leaf Cement and Maple Leaf Power Ltd. 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

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Power Limited

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

Mr. Waleed Tariq Saigol is the Director in all KMLG companies and the Chief Executive Officer in Maple Leaf Capital Limited. He holds a bachelor's degree in Political Science from the London School of Economics & Political Science. Apart from his responsibilities in textiles, he is also involved in identifying and developing new areas of business for KMLG. 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 Power Limited
Maple Leaf Capital 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. He is currently posted at Kohinoor Textile Mills Limited, 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 is currently completing PhD in Islamic Art and Architecture at SOAS, University of London. She has also completed degrees in MA, SOAS, University of London and M. St, University of Oxford.

MR. SHAFIQ AHMED KHAN
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited

Mr. Shafiq Ahmed Khan got his bachelor degree from Punjab University and joined Habib Bank Limited at entry level in 1968 and spent over a period of 24 years in order to become Executive Vice President while performing in different areas of services. He spent a period of five years in Fidelity Investment Bank Limited, Lahore, as first President & CEO of a major investment bank in the country and guided with sound business and risk management.

Since 1996 to 2005, he has been associated with Pakistan's largest private sector commercial bank as Senior Executive Vice President / Group Head and taken responsibilities for devising and implementing business strategies for MCB Bank Limited. He also served on the Board of Trust Investment Bank Limited from 1997 to 2009. Over the course of 36 years in a career, he used up in domestic and international market with all necessary skills for developing & implementing successful strategies for institutions' businesses across geographical segments particularly in banking relationships and enjoy sound relationships with regulatory authorities in various countries. Currently, being an Independent Director, he is the Chairman of Audit Committee as well as Human Resource and Remuneration Committee of Kohinoor Maple Leaf Group's listed companies.

MR. ZULFIKAR MONNOO
(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 30 years as a director having degree of bachelor in science and economics with a major in finance. 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

DIRECTOR
Maple Leaf Power Limited
Maple Leaf Capital Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with over 32 years 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 former board member of Kohinoor Mills Limited and Al-Wazan Group, Kuwait. He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

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.

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.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

All the Directors are suitably qualified and experienced and most of them are exempt from Directors' training program 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.

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 authorised 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.

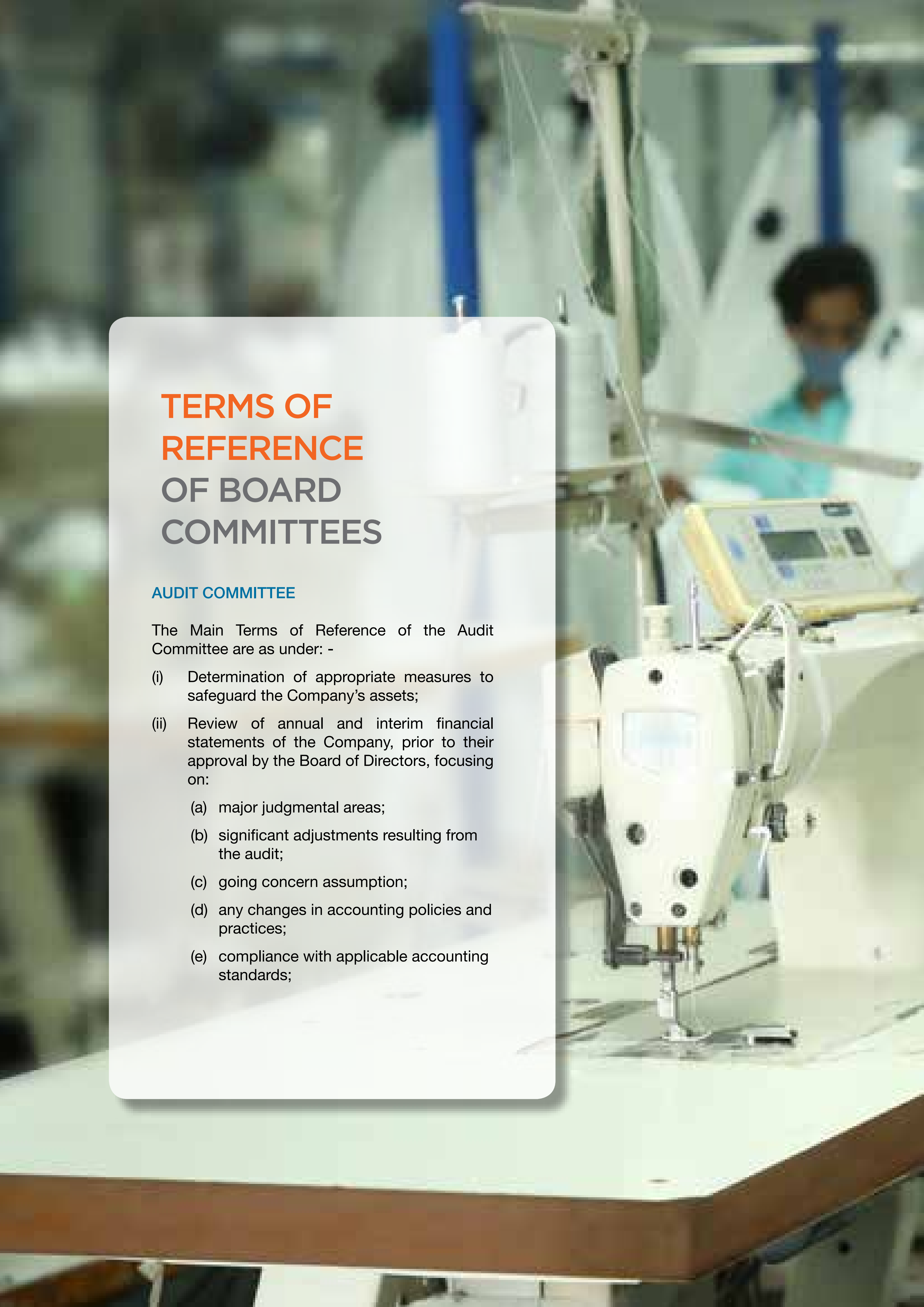
IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

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.



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

Management Committees are constituted to monitor and control the progress of various operational and strategic goals and ensure their effective contribution towards achieving Company's strategic objective.

Following is a brief description of each committee, its cross-functional composition and its 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: 24

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.

NO. OF MEETINGS HELD: 10

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 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.

NO. OF MEETINGS HELD: 15

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 & procedures 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.

NO. OF MEETINGS HELD: 12

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.

NO. OF MEETINGS HELD: 12


NO.2 GENE.CONT.DESK
NO.1 GENE. CONT. DESK

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: -

i) Adequate Board composition.

ii) Satisfactory Processes and Procedures for Board meetings.

iii) The Board sets objectives and formulates an overall corporate strategy.

iv) The Board has set up adequate number of its Committees.

v) Each Director has adequate knowledge of economic and business environment in which the Company operates

.

vi) Each Board member contributes towards effective and robust oversight.

vii) The Board has established a sound internal control system and regularly reviews it.

viii) The Board reviews the Company's significant accounting policies according to the adequate financial reporting regulatory framework.

ix) 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:

1. Financial policies reviewed and updated;
2. Capital and operating budgets approved annually;
3. Board receives regular financial reports;
4. Procedure for annual audit;
5. Board approves annual business plan;
6. Board focuses on goals and results;
7. Availability of Board's guideline to management;
8. Regular follow up to measure the impact of Board's decisions;
9. 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 nonfinancial 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:

1) To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.
2) To ensure that a Business Continuity Recovery Team includes representatives from all business units.
3) To provide ongoing business continuity training to all employees, including executive management and the Board.
4) Ensure that thorough current business impact analysis and risk assessments are maintained.
5) 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:

1. Identify areas of risk.
2. Develop strategies and responses for risky areas.
3. Educate all employees about the conflict of interest policy.
4. Communicate with stakeholders to provide the platform for proper disclosure.
5. 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.

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.

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 2021, factory employees are as follows.

2021	2020
5,285	5,392

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. During the year Company has achieve Top Exporter recognition award 2020.

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.

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 understands how to achieve it. In KOHINOOR, 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:

1. Emotional Intelligence
2. Effective Communication Skills
3. Project Management
4. Supply chain management
5. Simatic Program Logic Controllers
6. Situational Leadership II
7. Building Impactful Brands
8. Benchmarking Session
9. Management Development Program
10. HSE Emergency Response Training
11. Developing Future Leaders

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 and 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.

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:

1. All Protected Disclosures should be addressed to the nominated Ombudsperson of the Company.

2. 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 in English, Urdu or in the regional language.

3. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower.

4. 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.

5. Anonymous disclosures will not be entertained by the Ombudsperson as it would not be possible for it to interview the Whistle Blowers.

6. 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.

7. 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.

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.

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, CEO, CFO, GM (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company.

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

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

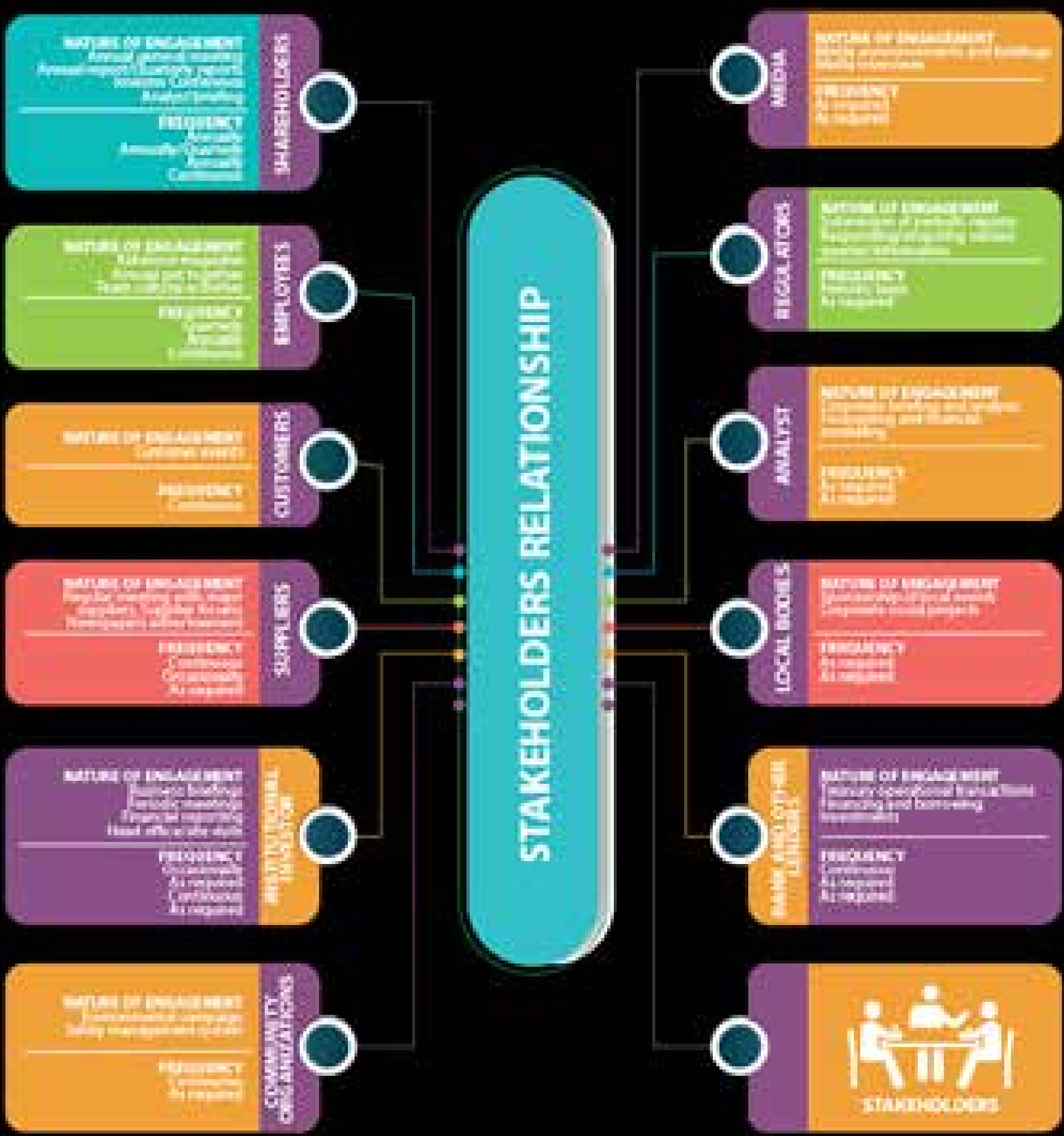
The Board has devised a mechanism to arrange interactive sessions between management of the Company and its shareholders to solicit and understand views of shareholders. It includes management briefings to its shareholders about the performance of the Company, macro and micro economic factors affecting 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.



STEP 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.

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 27, 2020 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.

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 major international and local road shows/corporate briefings sessions were held with investors:

- MENA & Frontier Conference at Dubai
- EFG Hermes London Conference
- South Asia Conference, Dubai
- 14th Annual One on One Conference EFG Hermes, Dubai
- Karachi PSX Brokers Meeting Organized by AKD

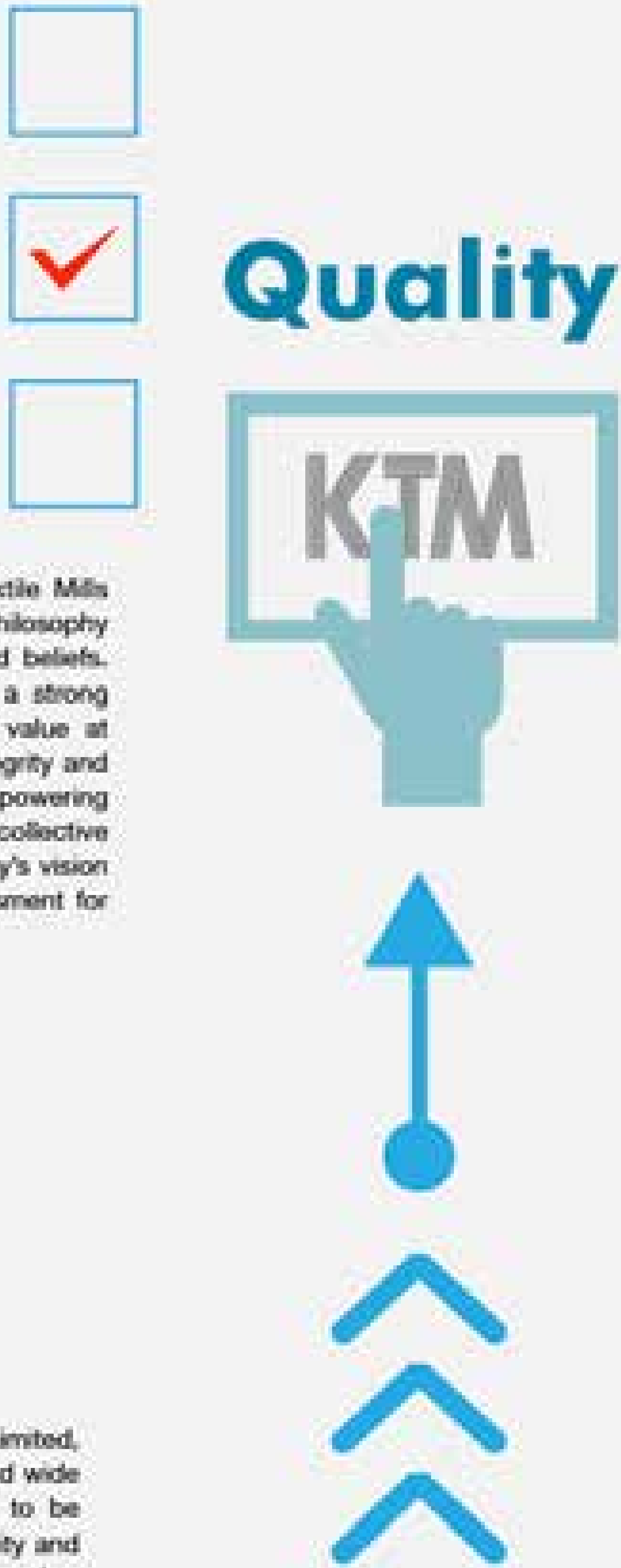
INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

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'.

WE ARE COMMITTED TO SUSTAINABILITY

04

CORPORATE SUSTAINABILITY



CULTURE

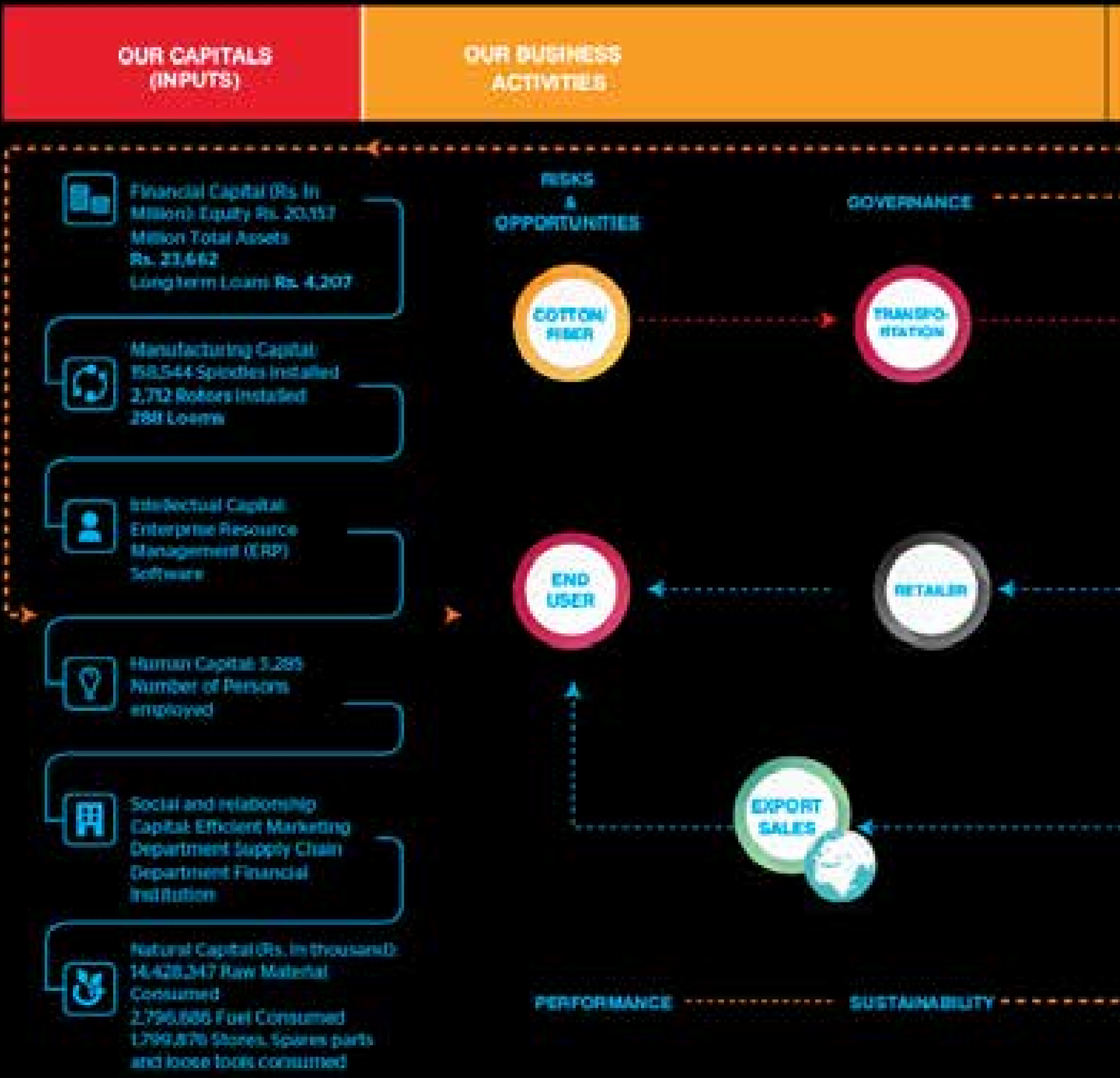
Organisational culture in Kohinoor Textile Mills Limited depicts the Company's philosophy which is based on shared values and beliefs. The Company is committed to build a strong corporate culture based on its core value at the highest standards of Empathy, Integrity and Passion. The Company believes 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.

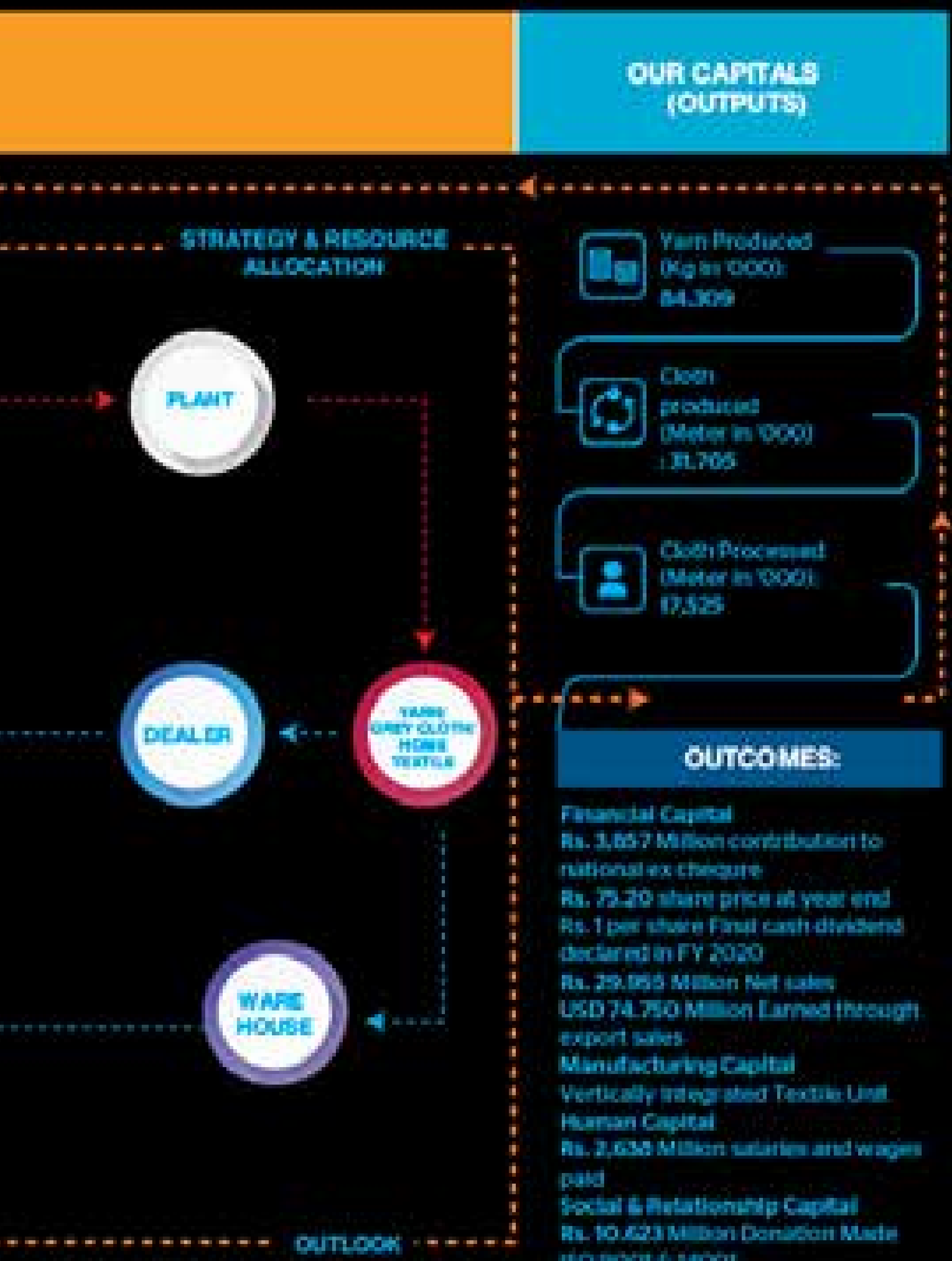
CORPORATE STRATEGY

We, at Kohinoor Textile Mills Limited, manufacture and market yarn, cloth and wide range 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.

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.





OUTCOMES:

Financial Capital
Rs. 3,857 Million contribution to national ex chequre
Rs. 75.20 share price at year end
Rs. 1 per share Final cash dividend declared in FY 2020
Rs. 29,055 Million Net sales
USD 74.750 Million Earned through export sales

Manufacturing Capital
Vertically Integrated Textile Unit

Human Capital
Rs. 2,636 Million salaries and wages paid

Social & Relationship Capital
Rs. 10.423 Million 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, Grey Cloth, Home Textiles
Outcome	Economic & Social Benefits

POSITION IN VALUE CHAIN

Kohinoor Textile Mills Limited (KTML) is vertically integrated unit. KTML is committed to deliver the best quality products to its valued customers. Upstream in the KTML value chain are the activities that provide raw materials to produce the intended products. Operations include range of production activities necessary to produce the goods as per customers' demand. Downstream in the KTML value chain are the activities that necessitate to deliver the goods to customers as per their expectations. KTML being the oldest Textile manufacturer in Pakistan enjoys very healthy & strong business relationships with all the critical constituents of value chain. Company's position in value chain is as follows:

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

1. 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.

2. 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.

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

4. 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.

5. 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.

6. 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.

7. 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.

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, it's employees, and their representatives through negotiation. The company has 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 providing equal opportunities to all existing and prospective employees without discrimination on the basis of race, religion, gender, or age.

ENERGY SAVING MEASURES

Given the current energy crisis in Pakistan, Kohinoor's management recognises the importance of the efficient usage of energy in the corporate sector, and has therefore has 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 3MW Solar based power project in Rawalpindi Division.

CONSUMER PROTECTION MEASURES

We are committed to ensuring 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.

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.

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.

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 and 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 to promoting the highest standards of ethical behavior 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 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.

NATIONAL CAUSE DONATIONS

During the year, Company has contributed Rs. 10.623 Million to Gulab Devi Educational Complex, Lahore towards construction of 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 had donated a state of the art Cardiac facility to the Gulab Devi Chest Hospital (GDCH) in Lahore by building Sayeed Saigol Cardiac Complex at GDCH.

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 video

STATEMENT OF CHARITY

	2021	2020
	(Rupees in thousand)	
Donations	10,623,000	16,046,000
Health	18,099,363	14,277,088
Trainings	4,702,884	6,378,022
Other Welfare	2,368,488	7,342,235
	35,793,735	**44,043,345**


MONIT

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. 3,857.43 million (2020: 3,090.90 Million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 74.750 million (2020: 58.250 Million) to the national treasury by way of export sales.

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.

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 to employee satisfaction. To achieve employees' satisfaction, the Company engages in various activities including annual gatherings, formal and informal meetings, surveys, HR engagement and appraisal activates 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 and 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 the policies are communicated to all employees, a code of conduct is designed in a way that leaves no room for non-compliance. In addition to this, all employees are offered market competitive salaries along with other benefits. The Company is committed to provide equal


opportunity to all existing and prospective employees without any discrimination on the basis of religion, gender, race, age etc. and there has been no incident of discrimination so far. 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.

PANDEMIC RECOVERY PLAN BY THE MANAGEMENT AND POLICY STATEMENT

As the world grapples with the extraordinary ramifications of the COVID-19 coronavirus pandemic, we are confronting a human emergency dissimilar to any we have ever encountered and our social fabric is under extreme pressure. The pandemic has posed a serious challenge around the globe, affecting humanity without distinction. Therefore, in these extremely trying and uncertain times, the positive impact created by KTML, is most critical.

Further, as Covid-19 pandemic spread throughout the world, it was important to ensure smooth business operations without any compromise on the health and wellbeing of all our employees. Protection of lives and livelihood remained our topmost goal and all the employees geared up to work as a team in these challenging times.

Following are some of the precautionary measures undertaken by the Company in this pursuit:

1. EHS department of the Company remained fully active since the start of coronavirus pandemic for ensuring the health and wellbeing of all employees.
2. Temperature screening is a major recommendation of the WHO for preventing COVID-19 spread. Thermal scanners have been installed at office entrances for accurate data availability & redundancy.
3. Hand sanitizers were available in all departments and a dedicated resource was appointed to refill the hand sanitizer dispensers on daily basis.
4. Awareness Posters displayed in all hand washing facilities throughout the factory and trainings are also being provided to the staff on proper hand washing method.
5. Social Distancing is encouraged and ensured in all offices, production floors, canteen and mosque etc. Social distancing marks have also been made on all floors and walkways to remind employees to maintain safe distance.
6. Face Masks have been provided to all the employees and have been made mandatory to wear within the factory premises.
7. All meetings are being carried out through video / teleconferencing. Regular disinfections are also carried out as per WHO guidelines.
8. Manning levels at Offices have been reduced

to a minimum while, Company's IT department provided support to employees to facilitate 'work from home'.

9. COVID-19 Vaccination Camp has been arranged for employees inside factory premises in collaboration with Government authorities and all employees were encouraged to vaccinate themselves.
10. Sports Hall, Gym and Day Care facilities have been closed

Amid 4th wave of Pandemic, in compliance with SOP's formulated by World Health Organization & National Command Operation Centre Pakistan, Company has adopted strict policies to get its employees and their families vaccinated as soon as possible.

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 (PPEs) 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.

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 believe 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, color, and nationality.

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.

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 polices 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.

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.

RURAL DEVELOPMENT PROGRAM

The Company's Mills are located in rural area 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 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.

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.

EXTERNAL INITIATIVE & MEMBERSHIP OF ASSOCIATION

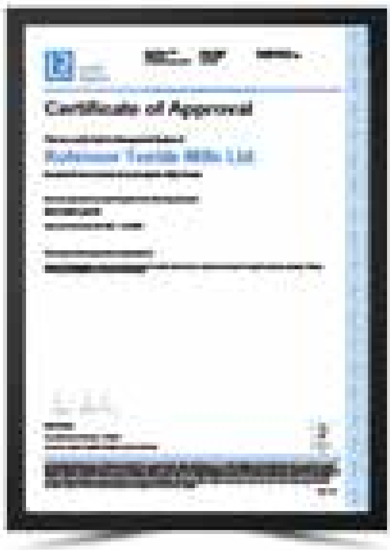
Company's prominent memberships are as follows.

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

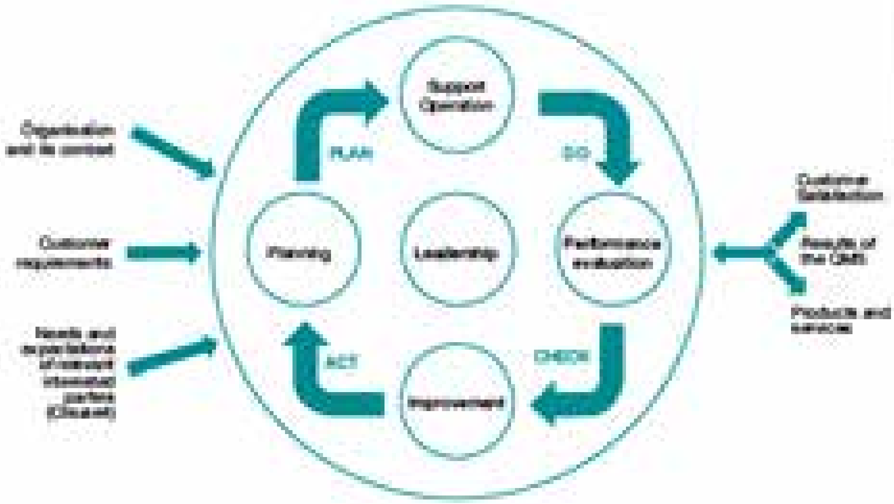
MANAGEMENT SYSTEM & PRODUCT COMPLIANCE CERTIFICATIONS

Quality Management System (ISO 9001:2015)

ISO 9001 : 2015 is based on the plan-do-check-act methodology and provides a process-oriented approach to documenting and reviewing the structure, responsibilities, and procedures required to achieve effective quality management in an organization.


Certificate of Approval

Kohinoor Textile Mills Ltd

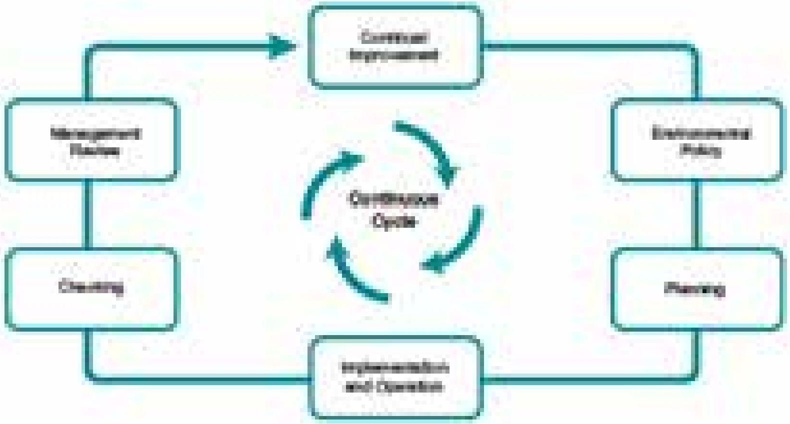



Certificate of Approval

Kohinoor Textile Mills Ltd

Environment Management System (ISO 14001:2015)

EMS serves as a tool, or process, to improve environmental performance and information mainly "design, pollution control and waste minimization, training, reporting to top management, and the setting of goals.



Social Accountability (SA 8000:2014)

SA8000 is based on the principles of international human rights norms as described in International Labour Organization conventions, the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights. It also requires compliance with eight performance criteria:

STeP by OEKO-TEX®

STeP by OEKO-TEX® is an independent certification system for brands, retailers and manufacturers from the textile and leather industry. It is suitable for production facilities at all processing stages who want to communicate their environmental measures externally in a credible and transparent way.

OEKO-TEX -100 (Appendix 6 - Class II)

Textile products can only be certified according to the Standard 100 by Oeko-Tex if all components comply with the required criteria. – for an item of clothing, in addition to the outer fabric, this might include threads, linings, prints as well as non-textile accessories such as buttons, zip fasteners, rivets or any other accessory parts.

Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS)

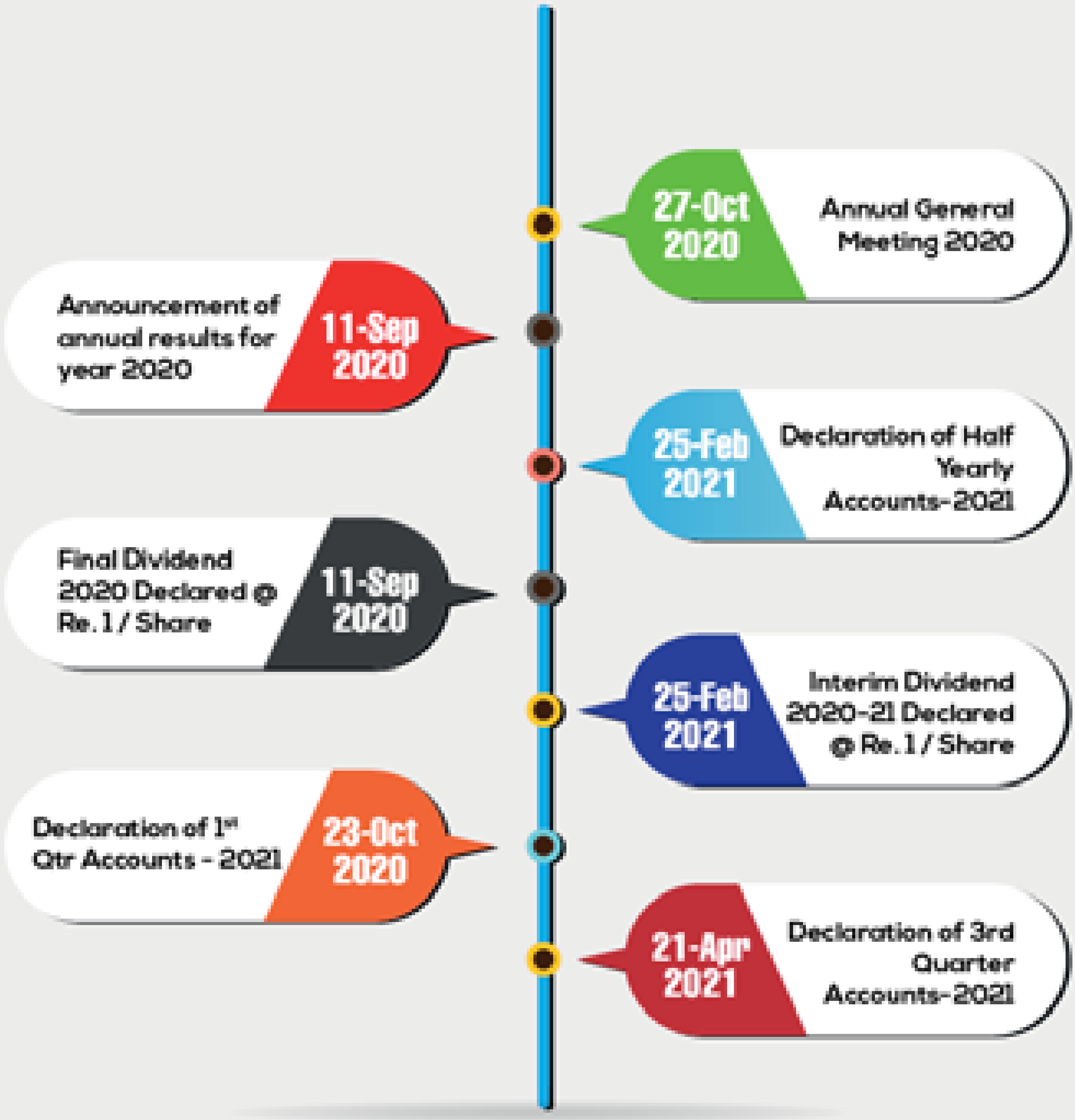
The orders for GOTS and OCS are prepared with 100% or at least 95% organic cotton using only organically approved chemicals. Requirements vary from country to country, and generally involve a set of production standards for growing, storage, processing, packaging and shipping.

EU- Ecolabel

Eco-label is a labeling systems for consumer products. EU Ecolabel ensures that the product produced is environmental friendly under control conditions. There is a close relationship between the Eco labeling process and the eco-innovation because it promotes the emergence of new green products and it improves the organizations environmental management strategy.

HIGG INDEX		
Modules	Achieved Scores	
	2019	2020
Environmental Management	67	71
Energy	85	98
Water	68	96
Waste	18	18
Wastewater	75	75
Air	18	38
Chemicals Management	55	62
Total	55	65

CORPORATE EVENTS
JULY 2020- JUNE 2021



NOTABLE EVENTS
2020- 2021

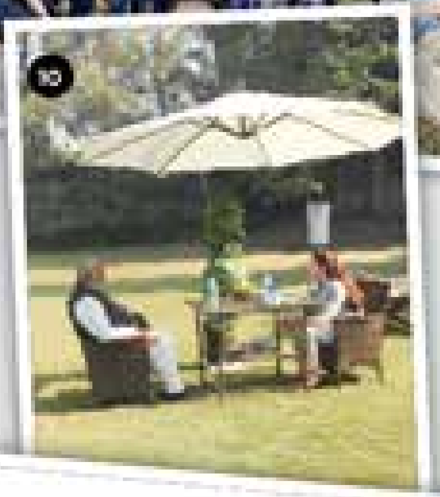
Due to prevalent corona pandemic events organized under strict compliance of SOPs.

NOTABLE EVENTS 2021

01-02-03 - Independence day **04-05-06-09-11** - Employee Care **07-08** - Hiking **10** - Tea Talk
12-13 - Women's Day Celebration **14** - New Joiners Orientation


08


09


10


11


12


Happy
WOMENS
DAY
13


14

WE FOCUS ON DESIGN

05

OUTLOOK

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. We expect that Government will also make necessary amendments in relevant laws & regulations for a smooth system through which textile sector may timely obtain its long hold sales tax refunds. We are quite optimistic that coming year should see a strong profitability across all divisions.

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

FINANCIAL FORECAST

The projections are very encouraging with continued growth expected locally and internationally as new potential businesses are being explored and various measures adopted by the Company to reduce the cost.

Financial Forecast	FY 2021-22 Rs. in Million
Revenue	37,653
Gross Profit	7,110
Profit from operations	4,688

Financial & Non-financial considerations

Financial considerations are 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. lower weighted average cost of capital

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 under 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.

FACTORS EFFECTING EXTERNAL ENVIRONMENT

FACTOR	IMPACT	KTML RESPONSE
P POLITICAL	Changes in applicable rules & regulations	Management proactively plans to manage the operations of Company in a way so that full compliance may be made with all applicable rules & regulations. Impact on financials for each new amendment is monitored by projection / analysis on continuous basis so that operational decisions may be made efficiently. Exploring new export markets is an ongoing exercise to efficiently utilize production capacities. Regular market analysis by senior management and the Board. Conducting corporate briefings and roadshows, both at national and international level, to mitigate the impact of Government policies and actions on the market capitalization of the company.
E ECONOMIC	Exchange rate fluctuation, Price hikes in major input materials	The Company met price hikes in input costs by efficient procurement of local & imported cotton with better negotiation. Effective inventory management by meticulously reviewing inventory holding periods. Deployed various cost reduction initiatives to control production and non -production related fixed costs.
S SOCIAL	Stakeholders' inclination towards CSR compliant organizations Better etention in organizations offering fordable health and educational facilities Attitude change towards welfare of public at large	Ensuring compliance with all requirements of Corporate Social responsibility. The Company supports provision of educational facilities for public at large and the Board has approved the construction of Al-Aleem medical college in Ghulab Devi Educational Complex.
T TECHNO-LOGY	Technical obsolescence of production facilities Continuous development of information technology infrastructures and Management Information Systems (MIS) software	Company has the latest technology to avoid any risk of technical obsolescence and keep on investing on BMR. Company continuously invests in the robust hardware and software for system up-gradation and MIS. Recently Company has managed ERP modules for meeting latest reporting needs.

FACTOR	IMPACT	KTML RESPONSE
L LEGAL	Enforcement of new Companies Act, 2017 Continuous amendment in the provisions of income tax ordinance 2001 and sales tax act 1990 resulting from finance bill on annual basis Amendments in the requirements of code of corporate governance, Pakistan stock exchange rules and the requirements of SECP Act. Severe FBR actions to deter non- compliance and late payments Amendments in employment laws and industrial relations regulations	Company has engaged an efficient team of professionals to ensure compliance with all enacted and or substantially enacted statutes, acts and ordinances. It further equips the company with an up to date knowledge of all prevailing legal requirements. Company ensures that all taxes and duties payments, whether income tax or sales tax, are made timely by having an effective cash management system in place. The company has equipped itself with a competent legal team to make itself updated on employment and industrial laws. It further helps the management in complying with requisite updates on timely basis.

FACTOR	IMPACT	KTML RESPONSE
E ENVIRONM- ENTAL	Attitude towards and support for renewable energy Air pollution & deforestation Lowering of underground water belt Growing attention towards "green" attitudes	Company is successfully operating waste water treatment plant. 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 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.

SWOT ANALYSIS

SWOT analysis is being used at Kohinoor Textile Mills Limited (KTML) as a strategy formulation tool, to match our strengths with perceived opportunities and minimize our weaknesses to avoid market and other threats.

Management at KTML, considers the following factors of SWOT analysis relevant to us:

STRENGTHS

- Latest and state of the art equipment for meeting quality management standards
- Experienced Management & qualified team
- Dedicated customer services
- Strong local and International branding
- Vertically integrated composite units
- Well diversified fuel mix and efficient operation
- Captive power producer
- Solar power generation
- Efficient information systems

WEAKNESSES

- High operating leverage (being capital intensive industry)
- Delayed refund processing from regulatory departments
- Labor Productivity
- Infrastructure issues

OPPORTUNITIES

- Rupee devaluation will help to increase export revenue
- Potential to expand product lines in new markets locally & internationally
- Rising population works as a catalyst for fabric needs
- Commitment by Government to provide utilities on controlled rates
- Export re-finance scheme and provision of long term finances at reduced mark-up rates
- Reuse treated effluent

THREATS

- Price hike for imported raw materials
- Unavailability of high-end raw cotton locally
- Stiff competition from textile-based countries
- High incidence of taxes
- Hype to increase fuel prices
- Economic un-stability
- Slow-down in business activity due to active measures taken by federal board of revenue to enhance tax net.
- Uncertain situation due to sudden vacation of America from Afghanistan

SOURCES OF INFORMATION AND ASSUMPTIONS

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingencies. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Investment properties

Investment properties are valued at fair value determined by an independent valuer having relevant professional qualifications. The fair value is determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

Taxation

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognized on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

Employees benefit scheme

The defined benefit obligations are based on actuarial assumptions such as discount rate, expected rate of return on plan assets, expected rate of growth in salaries and expected average remaining working life of employees which are extensively detailed in relevant notes to the financial statements.

STATUS OF CURRENT AND PREVIOUS PROJECTS

Company has successfully completed projects at Rawalpindi and Gujar Khan site. An additional large-scale Solar energy project is underway and by December 21 should bring the Company's total Solar capacity to above 11 Megawatts, with further projects to follow. Additionally, the Company is continuing efforts to minimize its usage of water and increase water storage and recycling capabilities.

ANALYSIS OF PRIOR YEAR FORWARD LOOKING DISCLOSURE

Your Company has achieved a new milestone of Rs.30 Billion Sales Revenue (2020: 22 billion). Significant increase was witnessed in all areas. Gross profits increased mainly due better selling margins and increased quantities. Finance cost remained low as compared with preceding year due to controlled interest rates. Despite increase in input cost, bottom line showed an improved position due to better volumes & capacity utilizations throughout the year.

WE LIVE OUR VALUES EVERY DAY

06

PERFORMANCE AND POSITION

FINANCIAL REVIEW

FINANCIAL RESULTS:

Financial highlights of key operating results for the year 2020-21 are as follows:

Particulars	2021	2020
	(Rs. In Million)	
Equity	20,157	17,971
Capital Employed	24,041	21,383
Revenue	29,955	21,845
Gross Profit	6,133	3,990
Profit from operations	4,061	2,681
Net Profit before Tax	3,398	1,878
Operating Cash Flows	2,898	(390)
Investing Cash Flows	(1,617)	(4,481)
Financing Cash Flows	(1,218)	4,841

Comments of favorable/(unfavorable) variances in financial results:

- Equity increased by 12% from Rs. 17,971 million (2020) to Rs. 20,157 (2020) due to increased profits during the year.
- Sales increased as compared with previous year due to rigorous efforts made by marketing teams by soliciting new customers and unlocking new avenues to grab extra revenue despite tough business conditions.
- Gross profits increased due to better profit margins and efficient controls over critical contemporary areas of performance.
- Operating Cash flows improved due to factors mentioned above.

FINANCIAL RESULTS:

ACTUAL VS BUDGET

Sales and profitability of the company for the year ended 30 June 2021 compared with the projections / budget is as under.

Particulars	Actual	Budget
	2021	2021
	(Rs. In Million)	
Revenue	29,955	26,858
Gross Profit	6,133	4,936
Profit from operations	4,061	3,130

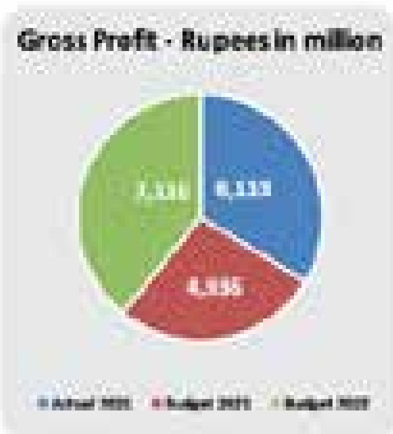
Actual position remained ahead budgetary targets due to extra ordinary efforts in all critical contemporary areas of performance.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

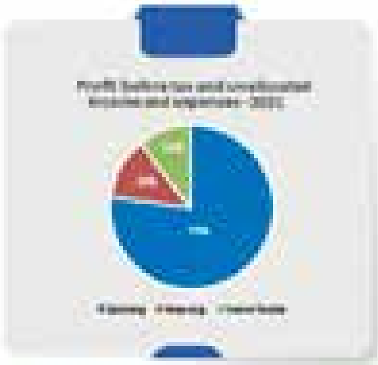
Segment wise profits before taxation and unallocated income and expenses for the year ended 30 June 2021 are as under:

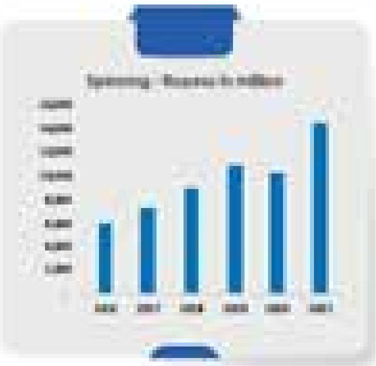
Particulars	Actual	
	2021	2020
	(Rs. In Million)	
Spinning	3,296	1,644
Weaving	519	292
Processing and Home Textile	456	631

Operating profits of Spinning & Weaving Divisions improved during the year due to increased sales volume and better selling margins as compared with preceding year. However, Home Textile division faced stiff conditions due to global pandemic & adverse exchange rate movements.

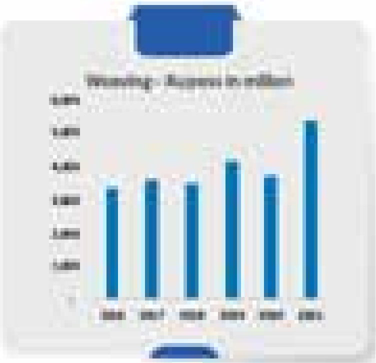



Gross Profit By Segment - 2021

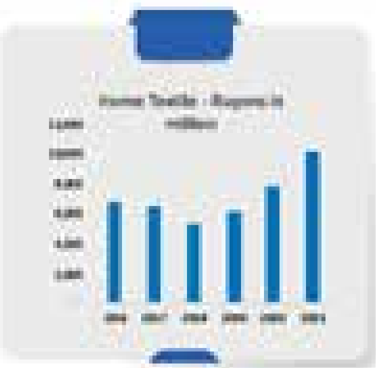


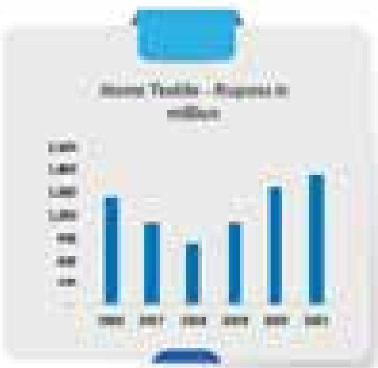

Spinning - Rupees in million


Spinning - Rupees in million


Weaving - Rupees in million


Weaving - Rupees in million


Home Textile - Rupees in million



COMPOSITION OF LOCAL VERSUS IMPORTED COMPONENTS AND SENSITIVITY ANALYSIS

	2021		2020	
	Rs. '000	%	Rs. '000	%
Local Materials:				
Raw materials	9,478,609	46%	8,355,897	44%
Stores and spares	2,676,570	13%	2,461,347	13%
Fuel and power	2,796,886	14%	2,400,944	13%
	14,952,065	73%	13,218,188	70%
Imported materials				
Raw materials	4,476,248	22%	3,984,798	21%
Stores and spares	1,030,842	5%	1,674,517	9%
	5,507,090	27%	5,659,315	30%
	20,459,155	**100%**	**18,877,503**	**100%**

SENSITIVITY ANALYSIS

For each percent change in value of foreign currency, cost of imported materials will change by Rs 55.071 million (2020: 56.593 million).

	2021 Rs. '000	2020 Rs. '000
Appreciation of PKR	(55,071)	(56,596)
Depreciation of PKR	55,071	56,596
Percentage of COS	0.23%	0.32%

The management of the Company constantly monitors the international prices of imported materials and exchange rates fluctuations. Management takes necessary measures to mitigate such impacts as per Company's risk management policies.

FREE CASH FLOWS

Net cash generated from operating activities	4,454,979	628,069
Capital expenditures	(1,696,204)	(1,396,465)
Free Cash Flows	**2,758,775**	**(768,396)**

Free Cash Flow (FCF) is the Cash a Company produces through its operations, less the cost of expenditures on assets. 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. During the year, performance of the Company remain excellent hence ample case flows generated through operations to meet financial obligations amicably.

ECONOMIC VALUE ADDED

Net Profit after Tax	2,756,329	1,528,043
Less: Cost of capital	(653,393)	(578,803)
Economic Value Added	**2,102,936**	**949,240**

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.

RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES FOR EPS

Description	2021	2020
	Number of shares	
Weighted average number of shares outstanding at beginning of the year	299,296,456	299,296,456
Weighted average number of shares outstanding at the end of the year	299,296,456	299,296,456

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

Market value of the Company's property, plant and equipment is around Rs. 17.38 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, 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.

SHARE PRICE SENSITIVITY ANALYSIS

Company's share price is directly linked with the operational and financial performance of Company. In the current situation, Management considers the following factors to which the performance and share price of the Company may be sensitive.

a. Agriculture

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 downward.

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 then share price will increase, otherwise vice versa.

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30 June 2021	Rs.75.2
Market Capitalization as of 30.06.2021	Rs. 22,507,093,491

Change in Share Price by	Change in Market Capitalization
+10%	Rs. 24,757,802,840
-10%	Rs. (24,757,802,840)

STATEMENT OF CASH FLOWS (DIRECT METHOD)

FOR THE YEAR ENDED 30 JUNE 2021

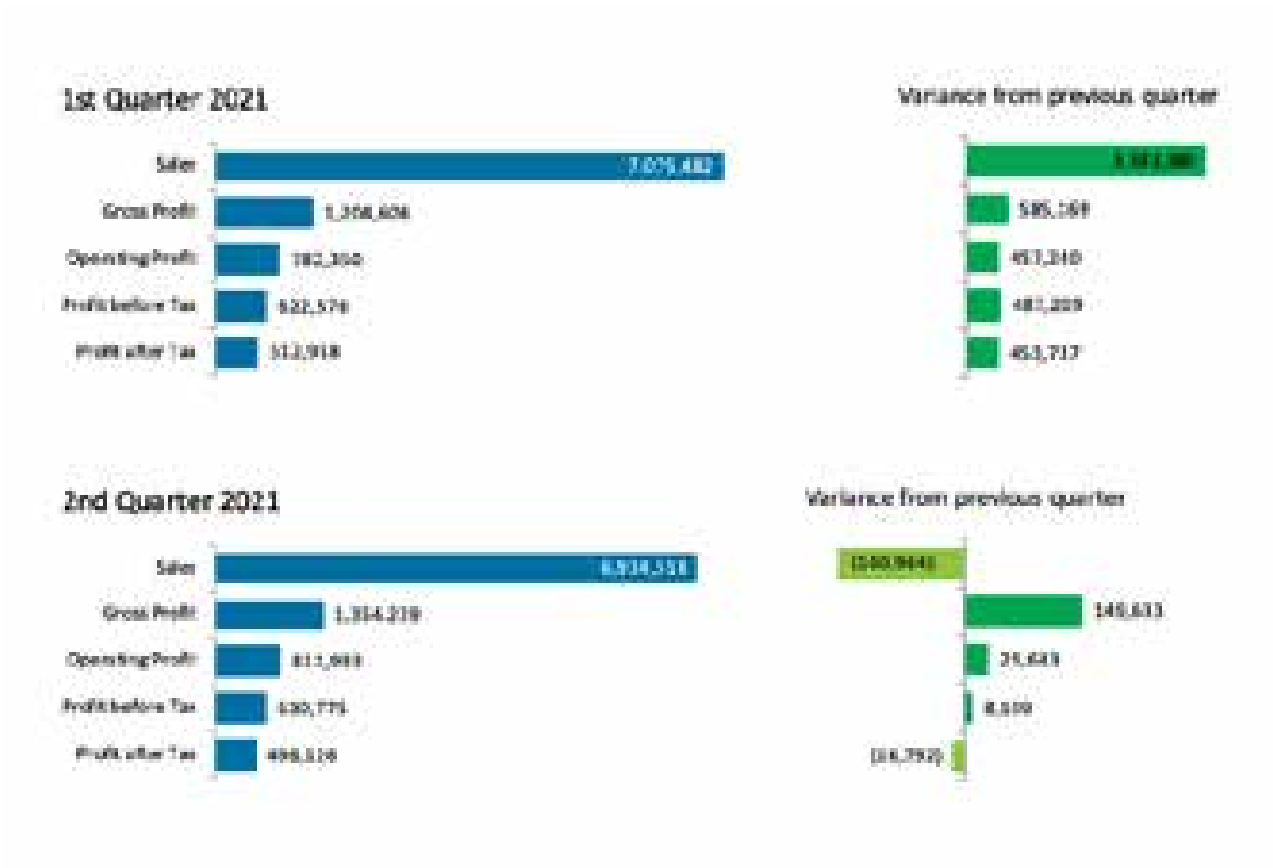
	2021	2020
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	29,029,895	20,915,588
Cash paid to suppliers and employees	(24,574,916)	(20,287,519)
Cash generated from operations	4,454,979	628,069
Finance cost paid	(795,382)	(680,070)
Income tax paid	(761,121)	(337,845)
Net increase in long term deposits	(3)	(369)
Net cash generated from / (used in) operating activities	2,898,473	(390,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(1,696,204)	(1,396,465)
Proceeds from disposal of property, plant and equipment	109,825	46,230
Long term investments made	-	(3,343,934)
Proceeds from disposal of long term investments	-	24,800
Short term investments made	(153,569)	(193,544)
Proceeds from disposal of Short term investments	102,500	162,188
Interest received	20,586	55,683
Dividend received	-	163,918
Net cash used in investing activities	(1,616,862)	(4,481,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	1,611,794	1,414,291
Repayment of long term financing	(419,316)	(392,726)
Grant received during the year	107,544	-
Short term borrowings - net	(1,920,591)	4,337,604
Dividend paid	(597,769)	(517,583)
Net cash (used in) / from financing activities	(1,218,338)	4,841,586
Net increase / (decrease) in cash and cash equivalents	63,273	(29,753)
Cash and cash equivalents at the beginning of the year	186,613	216,366
Cash and cash equivalents at the end of the year	249,886	186,613

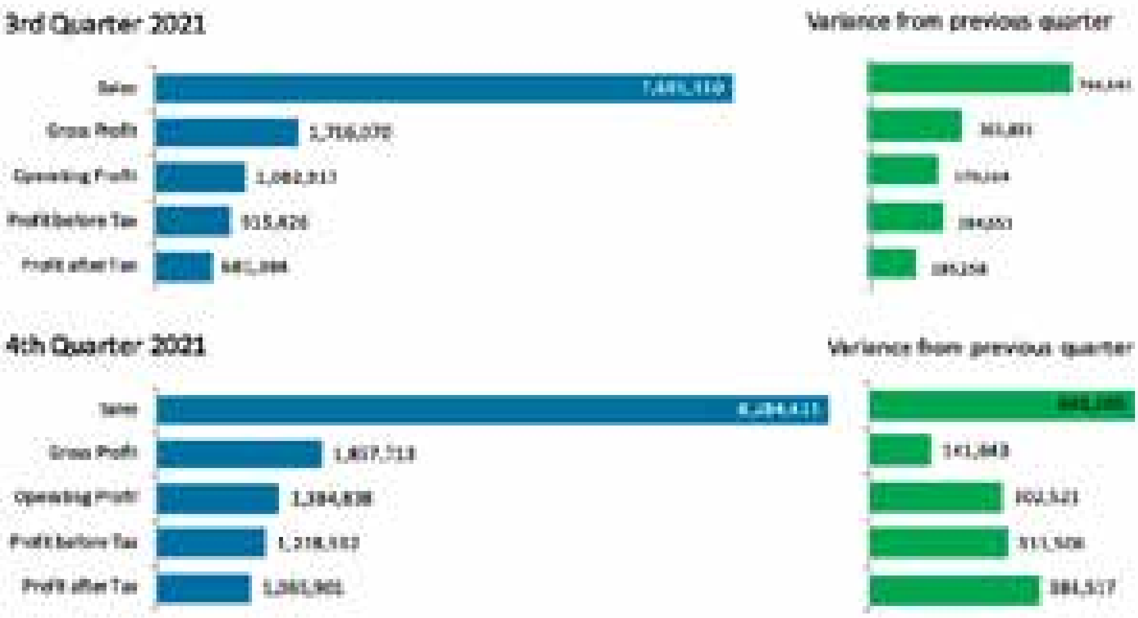
The annexed notes form an integral part of these financial statements.

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

Particulars	Interim Reports Results 3 Months Period Ended 30-09-2020		6 Months Period Ended 31-12-2020		9 Months Period Ended 31-03-2021		Annual Full Year Ended 30-06-2021	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Revenue	7,075,482		13,990,000		21,671,110		29,955,525	
Gross Profit	1,204,606	17.03%	2,558,845	18.29%	4,274,915	19.73%	6,132,628	20.47%
Operating Profit	782,350	11.06%	1,594,343	11.40%	2,676,660	12.35%	4,061,498	13.56%
Profit before tax	622,576	8.80%	1,253,351	8.96%	2,168,777	10.01%	3,397,709	11.34%
Profit after tax	512,918	7.25%	1,009,044	7.21%	1,690,428	7.80%	2,756,329	9.20%
Equity	18,484,008		18,680,838		19,062,926		20,157,557	
Current ratio (in time)	0.96		0.95		0.98		1.04	

GRAPHICAL PRESENTATION





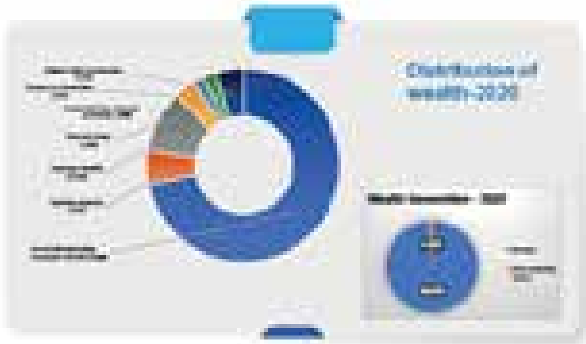
ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

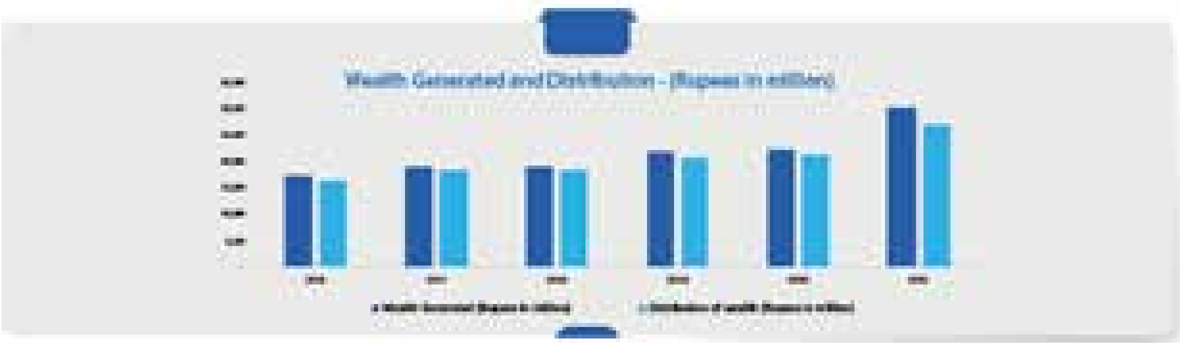
Quarter	Gross Profit	Operating Profit	Net Profit	Shareholders' Equity	Current Ratio
Quarter 1 With Annual 30 June 2021	Gross Profit was 17.03% as compared with annual GP of 20.47% due to slightly squeezed profit margins in 1st quarter.	Operating profit was 11.06% as compared with annual operating profit of 13.56% because business conditions were not encouraging due to business lock down amid pandemic corona.	Net profit after tax was Rs. 512,598 Million as compared with annual net profit of Rs. 2,756Million.	Shareholders' equity was Rupees. 18,484 million as compared with annual equity of Rupees. 20,157 million.	Current ratio was 0.96 times.
Quarter 2 With Annual 30 June 2021	Gross Profit was 18.29% as compared with annual GP of 20.47%. Although margins improved as compared with 1st quarter of the year, but these were squeezed than annual GP % because business was in its full pace at end of the year in June 21.	Operating profit for the first half year was 11.40% as compared with annual operating profit of 13.56% mainly due to factors aforementioned.	Net profit after tax was Rs. 1,009 Million as compared with annual net profit of Rs. 2,756Million.	Shareholders' equity was Rupees. 18,680 million as compared with annual equity of Rupees. 20,157 million due to dividend from subsidiary Company.	Current ratio was 0.95 times as compared with annual ratio of 1.04. Ratio declined due to increase in borrowings to meet working capital requirements.
Quarter 3 With Annual 30 June 2021	Gross profit was 19.73% as compared with annual GP of 20.47% due to better utilizations, selling margins across all divisions of the company.	Operating profit for the first 9 months was 12.35% as compared with annual operating profit of 13.56%.	Net profit after tax was Rs. 1,690 Million as compared with annual net profit of Rs. 2,756Million.	Shareholders' equity was Rupees. 19,062 million as compared with annual equity of Rupees. 20,157 million.	Current ratio was 0.98 times as compared with annual current ratio of 1.04. Ratio declined as compared with annual ratio due to borrowings for working capital requirements.

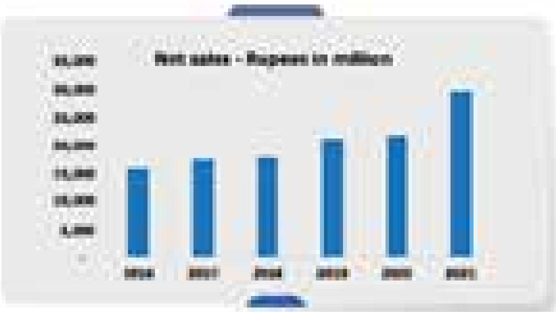
VALUE ADDITION AND DISTRIBUTION

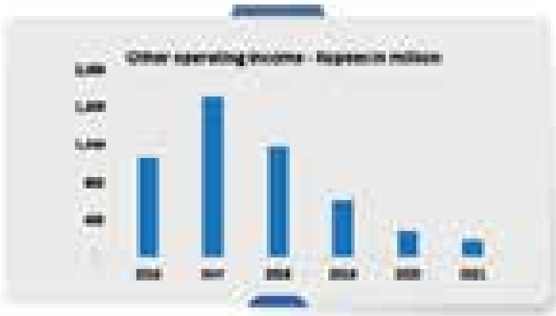
	2021		2020		2019		2018		2017		2016	
	Rs "000"	% age	Rs "000"	% age	Rs "000"	% age	Rs "000"	% age	Rs "000"	% age	Rs "000"	% age
Wealth Generated												
Revenue	29,955,525	99.41%	21,844,810	98.67%	21,220,135	97.21%	17,833,540	93.78%	17,404,708	90.98%	16,088,302	93.78%
Other operating income	178,692	0.59%	293,511	1.33%	608,755	2.79%	1,183,527	6.22%	1,725,445	9.02%	1,067,529	6.22%
	30,134,217	100.00%	22,138,321	100.00%	21,828,890	100.00%	19,017,067	100.00%	19,130,153	100.00%	17,155,831	100.00%
Distribution of wealth												
Cost of Sales (excluding employees' remuneration)	21,659,914	71.88%	15,935,032	71.98%	16,107,686	73.79%	13,874,754	72.96%	13,365,225	69.86%	11,716,169	68.29%
Distribution, administration & Other expenses	1,774,700	5.89%	1,188,042	5.37%	1,103,538	5.06%	798,627	4.20%	821,843	4.30%	869,714	5.07%
Employees Remuneration	1,687,861	5.60%	2,334,177	10.54%	1,925,620	8.82%	1,827,395	9.61%	1,772,981	9.27%	1,604,413	9.35%
Financial charges	663,789	2.20%	802,869	3.63%	411,111	1.88%	362,200	1.90%	267,593	1.40%	337,357	1.97%
Government taxes (includes income tax)	641,380	2.13%	350,158	1.58%	530,291	2.43%	489,769	2.58%	550,732	2.88%	495,963	2.89%
Dividend to shareholders	598,592	1.99%	523,768	2.37%	598,592	2.74%	797,654	4.19%	1,411,775	7.38%	1,350,393	7.87%
Retained within the business	3,107,981	10.31%	1,004,275	4.54%	1,152,052	5.28%	866,668	4.56%	940,004	4.91%	781,822	4.56%
	30,134,217	100.00%	22,138,321	100.00%	21,828,890	100.00%	19,017,067	100.00%	19,130,153	100.00%	17,155,831	100.00%

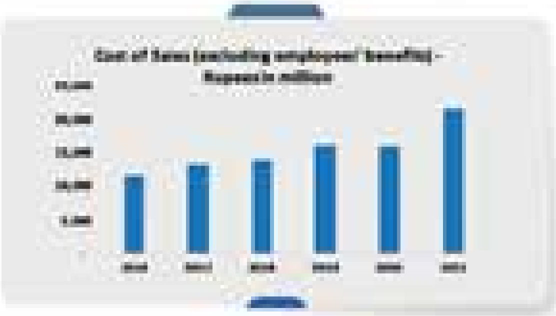
GRAPHICAL PRESENTATION

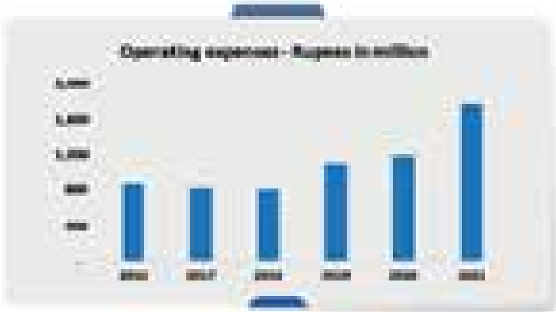


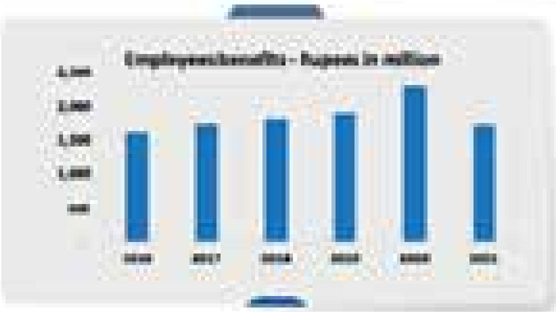



Net sales - Rupees in million

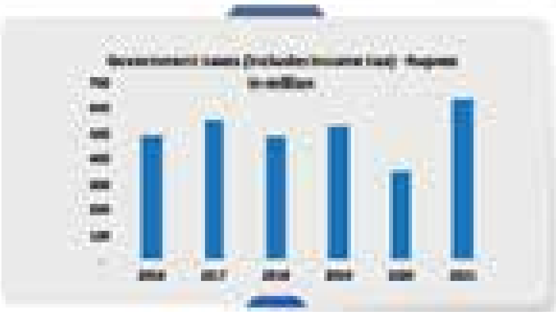

Other operating income - Rupees in million

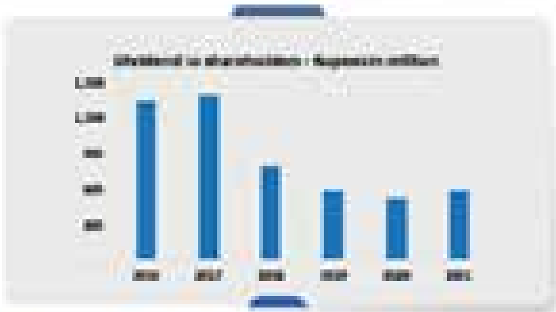

Cost of Sales (excluding employees' benefits) - Rupees in million


Operating expenses - Rupees in million


Employees benefits - Rupees in million


Financial charges - Rupees in million


Government taxes - Rupees in million


Rupees in million


Retained within the business - Rupees in million

HORIZONTAL ANALYSIS OF FINANCIAL STATEMENT

	2021	Change w.r.t 2020	2020	Change w.r.t 2019	2019	Change w.r.t 2018	2018	Change w.r.t 2017	2017	Change w.r.t 2016	2016
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
BALANCE SHEET											
Total Equity	20,157,557	12.17	17,971,090	5.92	16,966,815	7.24	15,820,626	13.63	13,922,796	7.43	12,959,673
Total non-current liabilities	3,883,657	13.84	3,411,551	60.24	2,129,031	15.04	1,850,676	4.20	1,776,007	47.37	1,205,135
Total current liabilities	10,093,041	(10.85)	11,321,125	75.50	6,450,732	(10.41)	7,200,654	42.70	5,046,039	1.10	4,990,909
Total equity and liabilities	34,134,255	4.37	32,703,766	28.02	25,546,578	2.71	24,871,956	19.89	20,744,842	8.30	19,155,717
Total non-current assets	23,662,335	4.59	22,623,930	22.21	18,512,532	1.96	18,155,891	17.53	15,447,434	17.40	13,158,134
Total current assets	10,471,920	3.89	10,079,836	43.30	7,034,046	4.73	6,716,065	26.78	5,297,408	(11.67)	5,997,583
Total assets	34,134,255	4.37	32,703,766	28.02	25,546,578	2.71	24,871,956	19.89	20,744,842	8.30	19,155,717

HORIZONTAL ANALYSIS OF FINANCIAL PERFORMANCE

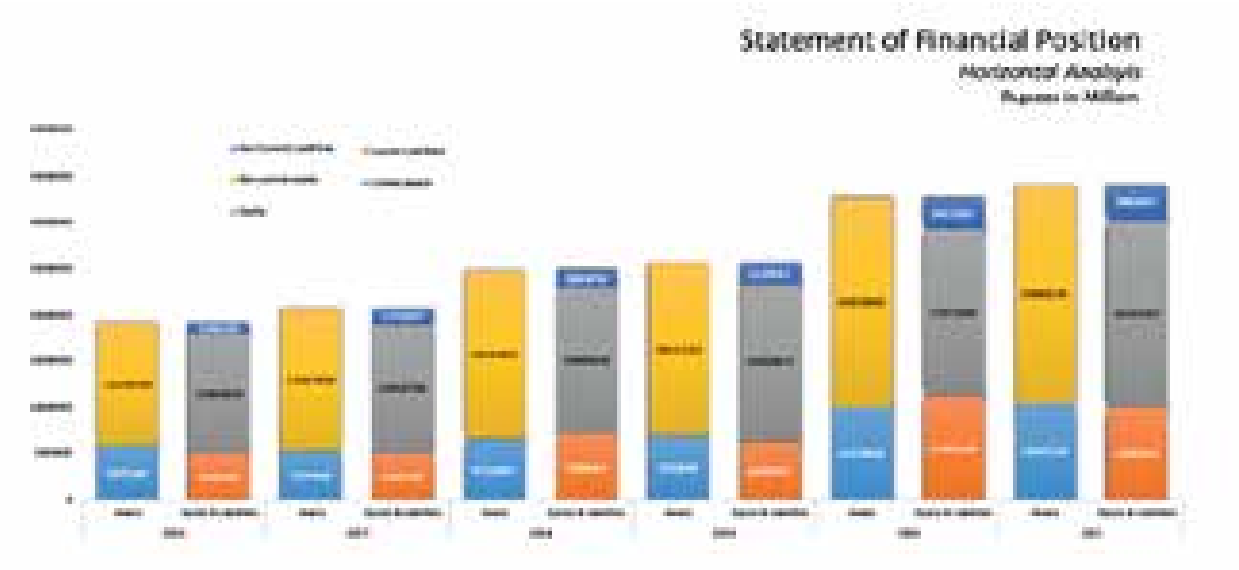
	2021	Change w.r.t 2020	2020	Change w.r.t 2019	2019	Change w.r.t 2018	2018	Change w.r.t 2017	2017	Change w.r.t 2016	2016
Revenue	29,955,525	37.13	21,844,810	2.94	21,220,135	18.99	17,833,540	2.46	17,404,708	8.18	16,088,302
Cost of sales	23,822,897	33.43	17,854,630	1.11	17,659,063	15.00	15,355,788	3.59	14,823,393	13.60	13,048,866
Gross profit	6,132,628	53.69	3,990,180	12.05	3,561,072	43.72	2,477,752	(4.01)	2,581,315	(15.07)	3,039,436
Distribution cost	1,218,390	48.29	821,609	46.41	561,181	13.19	495,766	(7.90)	538,294	(6.26)	574,226
Administrative expenses	643,123	6.75	602,467	9.10	552,220	11.67	494,532	7.35	460,681	14.85	401,099
Other expenses	388,309	117.49	178,545	(51.00)	364,380	135.55	154,690	12.35	137,681	(17.11)	166,105
Other income	178,692	(39.12)	293,511	(51.79)	608,755	(48.56)	1,183,527	(31.41)	1,725,445	61.63	1,067,529
Profit from operations	4,061,498	51.49	2,681,070	(0.41)	2,692,046	6.98	2,516,291	(20.62)	3,170,104	6.90	2,965,535
Finance cost	663,789	(17.32)	802,869	95.29	411,111	13.50	362,200	35.35	267,593	(20.68)	337,357
Profit before taxation	3,397,709	80.90	1,878,201	(17.66)	2,280,935	5.89	2,154,091	(25.79)	2,902,511	10.44	2,628,178
Taxation	641,380	83.17	350,158	(33.97)	530,291	8.27	489,769	(11.07)	550,732	11.04	495,963
Profit after taxation	2,756,329	80.38	1,528,043	(12.72)	1,750,644	5.19	1,664,322	(29.23)	2,351,779	10.30	2,132,215

GRAPHICAL PRESENTATION AND COMMENTS ON HORIZONTAL ANALYSIS OF FINANCIAL STATEMENT

Balance Sheet

Continuous increase in shareholder's equity is primarily because of profitable operations of the Company. Increase in non-current liabilities is due to financing obtained for the expansion and modernization of production facilities and Solar based power generation.

Increase in non-current assets is due to modernization of production facilities. Increase in current assets is in line with normal business growth.



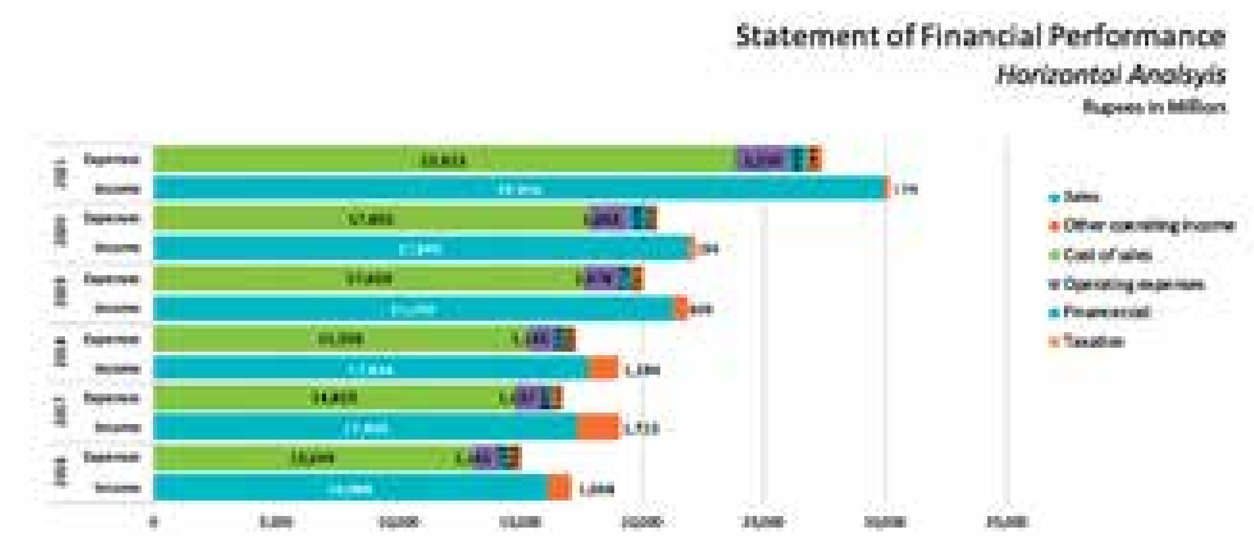
Profit and Loss Account

Company's overall sales are being increased by 37%. Export & local sales improved by 30% & 41% respectively despite tough business conditions globally as well as locally due to prevalent global pandemic.

Gross profit has been increased by 54% due to selection of high yield orders and stringent controls over critical contemporary areas of performance.

Other expenses increased due to increase in workers' profit participation fund provision & exchange loss due to adverse movement PKR as compared with other currencies.

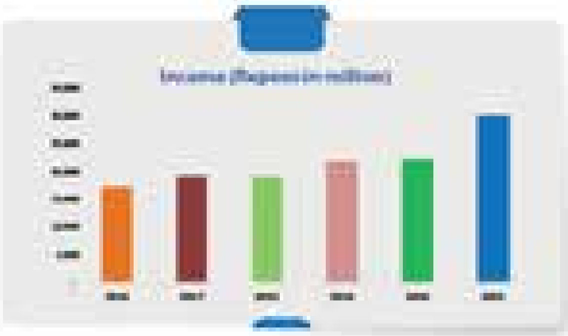
Finance cost decreased due to lower interest rates as compared to previous year & efficient fund management despite significant increase in working capital requirements.

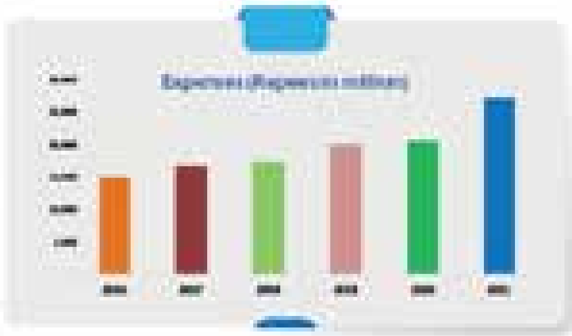


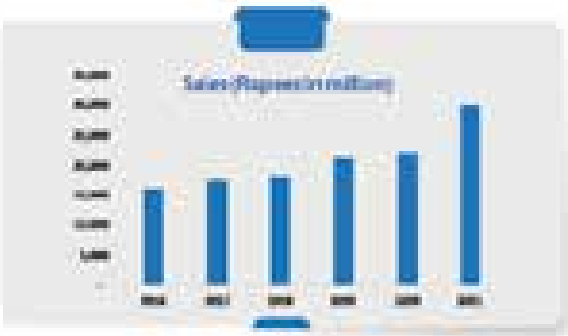
VERTICAL ANALYSIS OF FINANCIAL STATEMENT

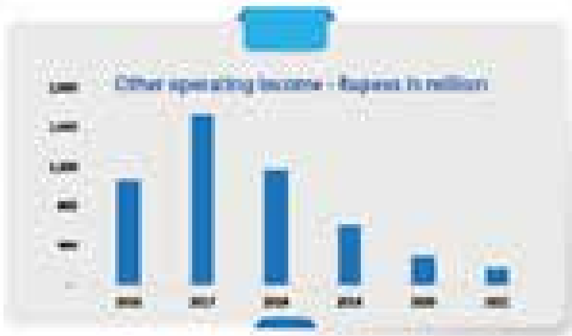
	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
			........Rupees in thousand........									
BALANCE SHEET												
Total Equity	20,157,557	59.05	17,971,090	54.95	16,966,815	66.42	15,820,626	63.61	13,922,796	67.11	12,959,673	67.65
Total non-current liabilities	3,883,657	11.38	3,411,551	10.43	2,129,031	8.33	1,850,676	7.44	1,776,007	8.56	1,205,135	6.29
Total current liabilities	10,093,041	29.57	11,321,125	34.62	6,450,732	25.25	7,200,654	28.95	5,046,039	24.32	4,990,909	26.05
Total equity and liabilities	34,134,255	100.00	32,703,766	100.00	25,546,578	100.00	24,871,956	100.00	20,744,842	100.00	19,155,717	100.00
Total non-current assets	23,662,335	69.32	22,623,930	69.18	18,512,532	72.47	18,155,891	73.00	15,447,434	74.46	13,158,134	68.69
Total current assets	10,471,920	30.68	10,079,836	30.82	7,034,046	27.53	6,716,065	27.00	5,297,408	25.54	5,997,583	31.31
Total assets	34,134,255	100.00	32,703,766	100.00	25,546,578	100.00	24,871,956	100.00	20,744,842	100.00	19,155,717	100.00
VERTICAL ANALYSIS OF FINANCIAL PERFORMANCE												
Revenue	29,955,525	100.00	21,844,810	100.00	21,220,135	100.00	17,833,540	100.00	17,404,708	100.00	16,088,302	100.00
Cost of sales	23,822,897	79.53	17,854,630	81.73	17,659,063	83.22	15,355,788	86.11	14,823,393	85.17	13,048,866	81.11
Gross profit	6,132,628	20.47	3,990,180	18.27	3,561,072	16.78	2,477,752	13.89	2,581,315	14.83	3,039,436	18.89
Distribution cost	1,218,390	4.07	821,609	3.76	561,181	2.64	495,766	2.78	538,294	3.09	574,226	3.57
Administrative expenses	643,123	2.15	602,467	2.76	552,220	2.60	494,532	2.77	460,681	2.65	401,099	2.49
Other expenses	388,309	1.30	178,545	0.82	364,380	1.72	154,690	0.87	137,681	0.79	166,105	1.03
Other income	178,692	0.60	293,511	1.34	608,755	2.87	1,183,527	6.64	1,725,445	9.91	1,067,529	6.64
Profit from operations	4,061,498	13.56	2,681,070	12.27	2,692,046	12.69	2,516,291	14.11	3,170,104	18.21	2,965,535	18.43
Finance cost	663,789	2.22	802,869	3.68	411,111	1.94	362,200	2.03	267,593	1.54	337,357	2.10
Profit before taxation	3,397,709	11.34	1,878,201	8.60	2,280,935	10.75	2,154,091	12.08	2,902,511	16.68	2,628,178	16.34
Taxation	641,380	2.14	350,158	1.60	530,291	2.50	489,769	2.75	550,732	3.16	495,963	3.08
Profit after taxation	2,756,329	9.20	1,528,043	6.99	1,750,644	8.25	1,664,322	9.33	2,351,779	13.51	2,132,215	13.25

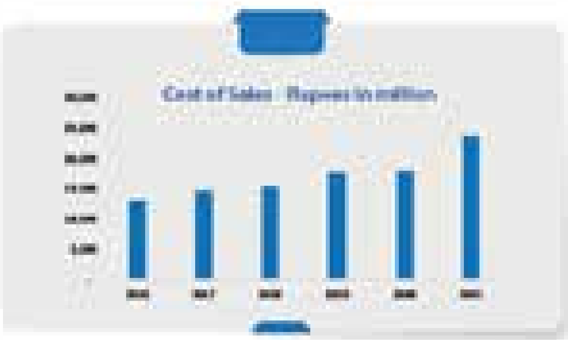
GRAPHICAL PRESENTATION OF VERTICAL ANALYSIS

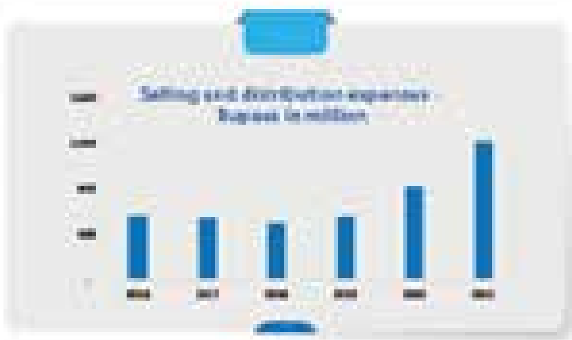


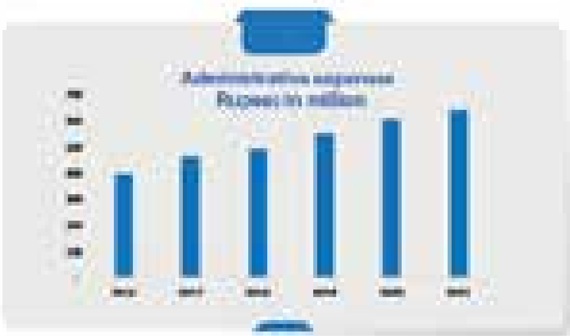


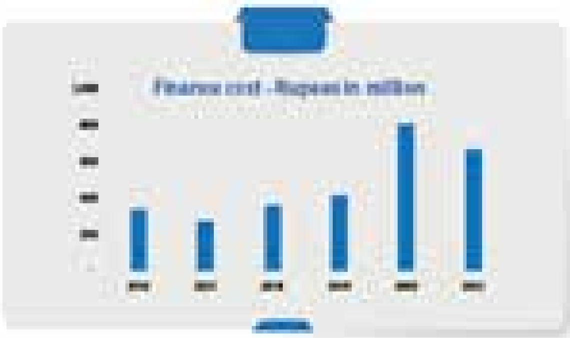












COMMENTS ON VERTICAL ANALYSIS OF FINANCIAL STATEMENT

Balance Sheet

Equity component is 59% of the balance sheet footing. A major factor for such tremendous increase is constant profitability of the Company.

During current year, non- current liabilities are 11.38% of the balance sheet footing as compared to 10.43% for the preceding year, this increase is primarily because of expansion and modernization of production facilities.

Non-current assets has been increased from Rs. 22,623 Million in 2020 to Rs. 23,662 Million in 2021. Increase is due to capital expenditure for production facilities across all divisions of the Company.

Profit & Loss Account

Cost of sales is 79.53% in (2021) as compared to 81.73% in (2020), despite increase in sales. Such decrease is mainly due to efficient buying of Raw Materials & having excellent controls to minimize in-efficiencies through-out the production process.

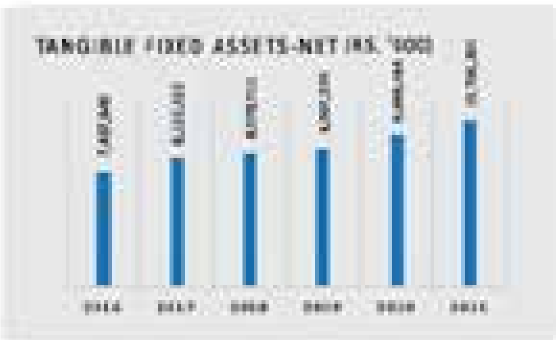
Finance cost decreased due to lower interest rates as compared to previous year & efficient fund management despite significant increase in working capital requirements.

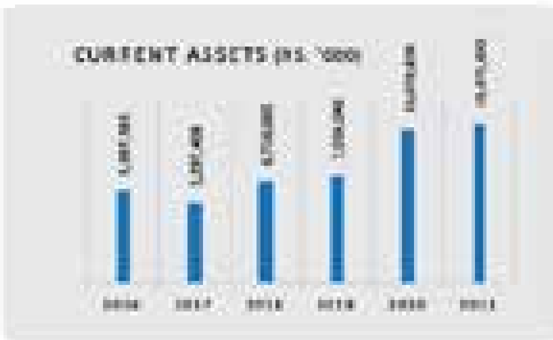
Other expenses increased due to increase in workers' profit participation fund provision & exchange loss due to adverse movement PKR as compared with other currencies.

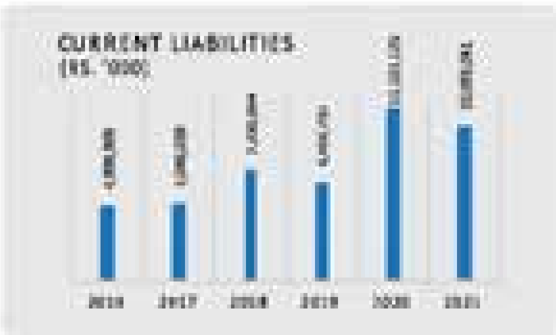
KEY OPERATING AND FINANCIAL DATA

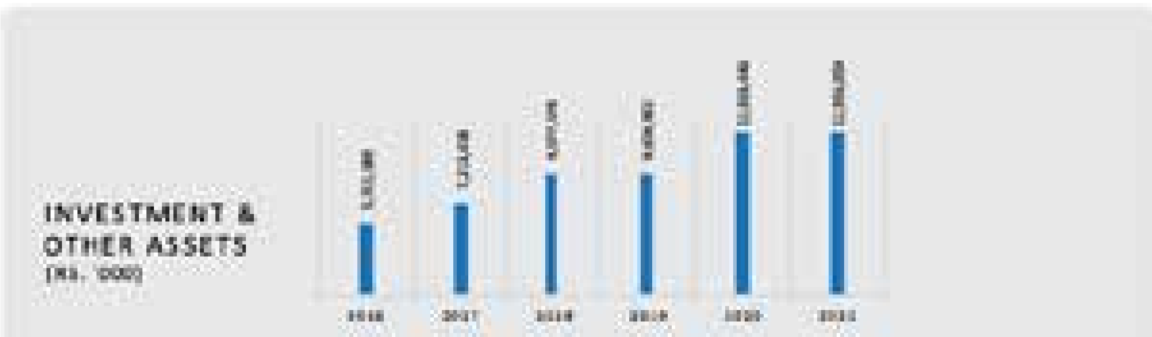
SIX YEARS SUMMARY

Financial Highlights	2021	2020	2019	2018	2017	2016
						PKR '000'
Financial Position (Rs.'000)						
Tangible fixed assets-net	10,706,281	9,699,484	8,907,570	8,578,713	8,222,022	7,437,640
Intangible assets	-	-	-	-	11,974	9,305
Investment & Other assets	12,956,054	12,924,446	9,604,962	9,577,178	7,213,438	5,711,189
	23,662,335	22,623,930	18,512,532	18,155,891	15,447,434	13,158,134
Current assets	10,471,920	10,079,836	7,034,046	6,716,065	5,297,408	5,997,583
Current liabilities	10,093,041	11,321,125	6,450,732	7,200,654	5,046,039	4,990,909
Net working capital	378,879	(1,241,289)	583,314	(484,589)	251,369	1,006,674
Capital employed	24,041,214	21,382,641	19,095,846	17,671,302	15,698,803	14,164,808
Less: Long term loan & other liabilities	3,883,657	3,411,551	2,129,031	1,850,676	1,776,007	1,205,135
	20,157,557	17,971,090	16,966,815	15,820,626	13,922,796	12,959,673
Share holders Equity Represented By:						
Share capital	2,992,964	2,992,964	2,992,964	2,992,964	2,823,551	2,823,551
Reserves & unappropriated profit	17,164,593	14,978,126	13,973,851	12,827,662	11,099,245	10,136,122
	20,157,557	17,971,090	16,966,815	15,820,626	13,922,796	12,959,673

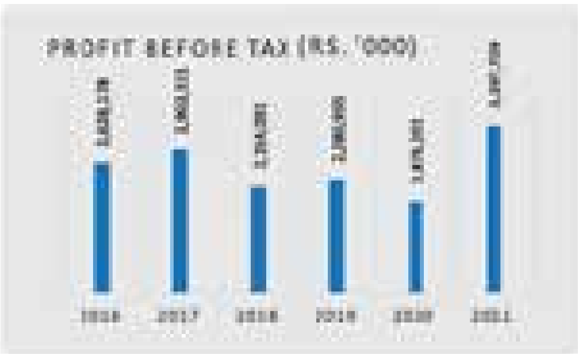


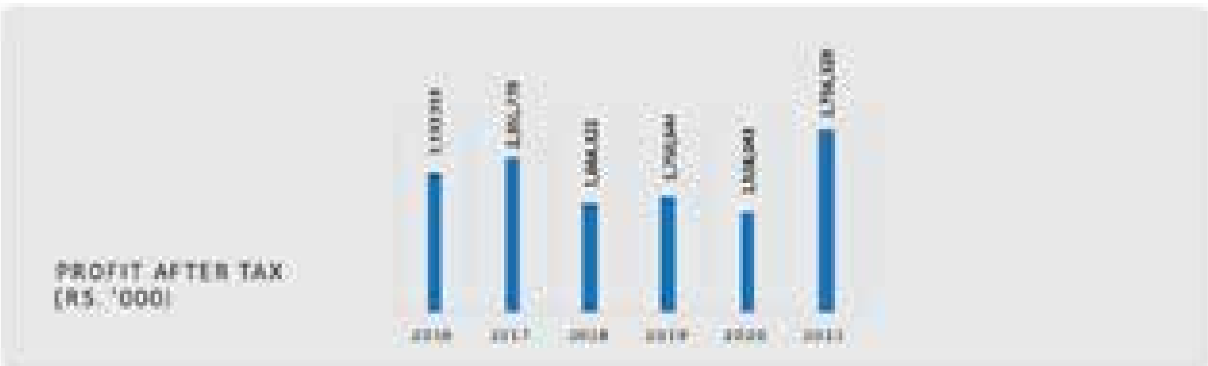






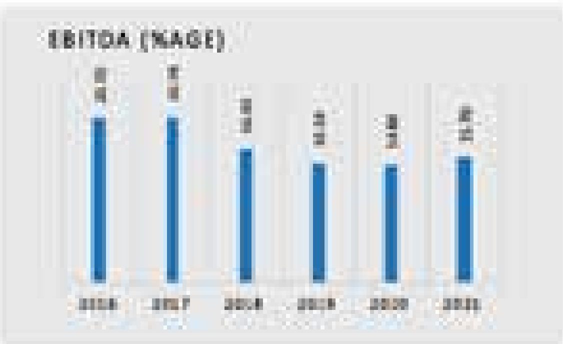
Financial Highlights	2021	2020	2019	2018	2017	2016
						PKR ‘000’
Revenue (Rs. ‘000)	29,955,525	21,844,810	21,220,135	17,833,540	17,404,708	16,088,302
Profitability (Rs.’000)						
Gross Profit	6,132,628	3,990,180	3,561,072	2,477,752	2,581,315	3,039,436
Operating profit	4,061,498	2,681,070	2,692,046	2,516,291	3,170,104	2,965,535
Profit before tax	3,397,709	1,878,201	2,280,935	2,154,091	2,902,511	2,628,178
Taxation	641,380	350,158	530,291	489,769	550,732	495,963
Profit after tax	2,756,329	1,528,043	1,750,644	1,664,322	2,351,779	2,132,215

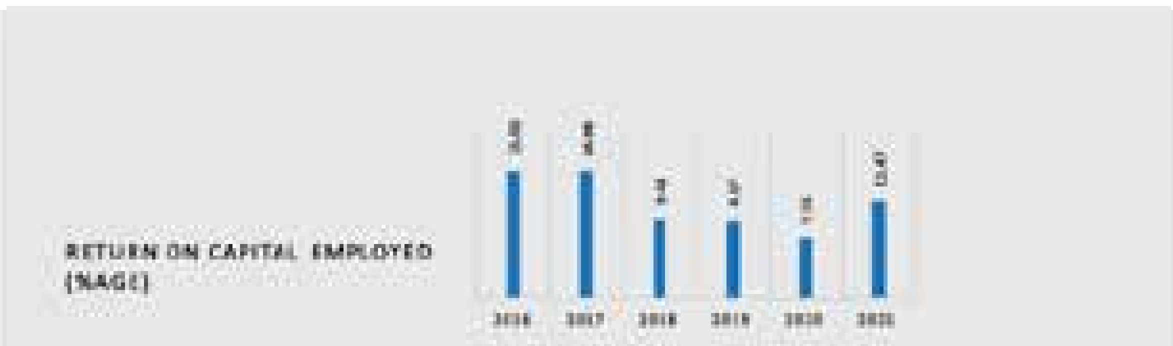




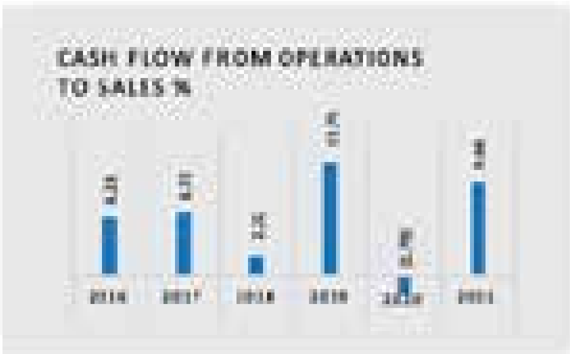
Financial Highlights

Financial Highlights	2021	2020	2019	2018	2017	2016
Profitability Ratios:						
Gross Profit to sales (%age)	20.47	18.27	16.78	13.89	14.83	18.89
Net Profit to sales (%age)	9.20	6.99	8.25	9.33	13.51	13.25
EBITDA (%age)	15.70	14.86	15.19	16.92	20.76	20.70
Operating leverage ratio	1.39	(0.14)	0.37	(10.50)	0.88	1.00
Return on equity (%age)	13.67	8.50	10.32	10.52	16.89	16.45
Return on capital employed (%age)	11.47	7.15	9.17	9.42	14.98	15.05
Profit before tax ratio (%age)	11.34	8.60	10.75	12.08	16.68	16.34
Effective tax rate (%age)	18.88	18.64	23.25	22.74	18.97	18.87
Cost / Revenue ratio (%age)	79.53	81.73	83.22	86.11	85.17	81.11
Return on Fixed Assets	25.74%	15.75%	19.76%	31.79%	28.67%	28.60%
Return on Total Assets	11.65%	6.75%	7.26%	11.85%	11.13%	11.34%

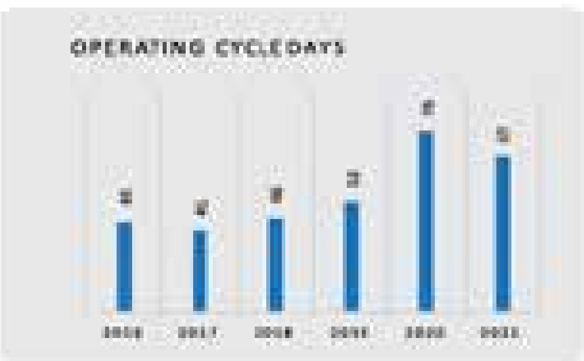


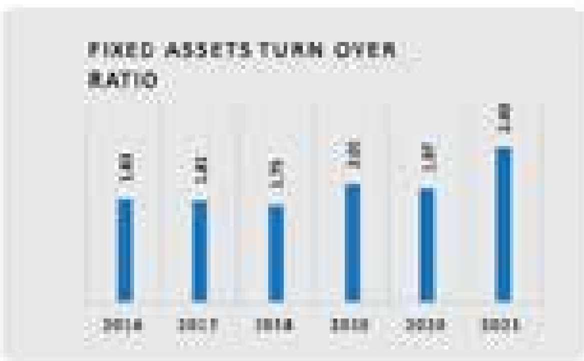


Financial Highlights	2021	2020	2019	2018	2017	2016
Liquidity Ratios:						
Current ratio	1.04	0.89	1.09	0.93	1.05	1.20
Acid test ratio	0.56	0.35	0.41	0.50	0.54	0.66
Cash to current liabilities	0.02	0.02	0.03	0.02	0.03	0.05
Cash flow from operations to sales %	9.68	(1.79)	11.75	2.21	6.73	6.23

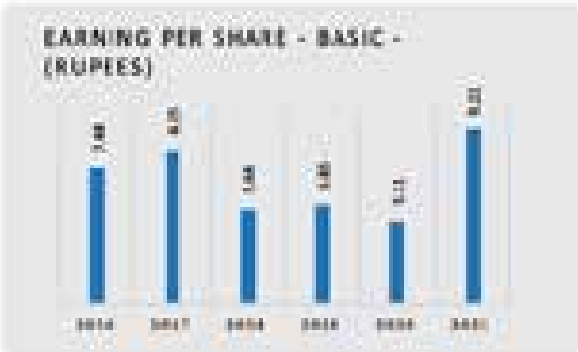


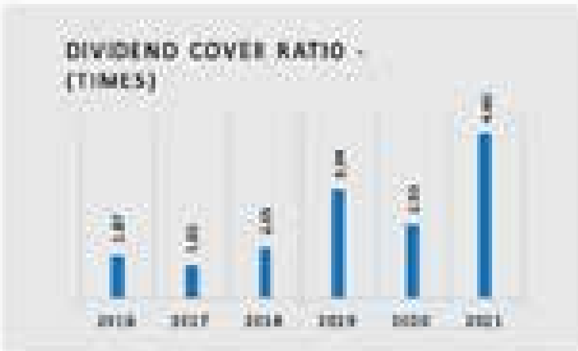
Financial Highlights	2021	2020	2019	2018	2017	2016
Activity / Turnover Ratios:						
No. of days in Inventory	72	94	66	54	52	59
No. of days in receivables	34	32	27	31	25	25
No. of days in creditors	40	50	41	39	35	39
Operating cycle	67	76	52	46	41	45
Inventory turn over	5	4	6	7	7	6
Debtors turn over ratio	11	11	13	12	15	15
Creditors turnover ratio	9	7	9	9	10	9
Total assets turn over / return on investment ratio	0.90	0.75	0.84	0.78	0.87	0.88
Fixed assets turn over ratio	2.49	1.97	2.01	1.75	1.81	1.83

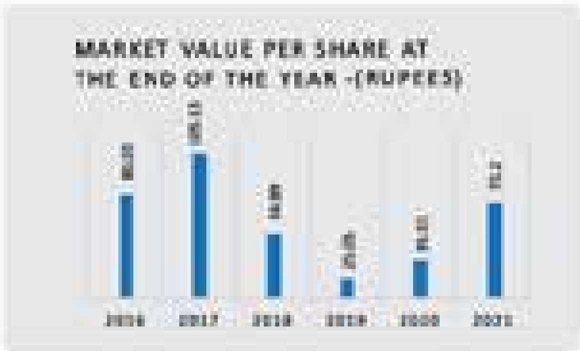


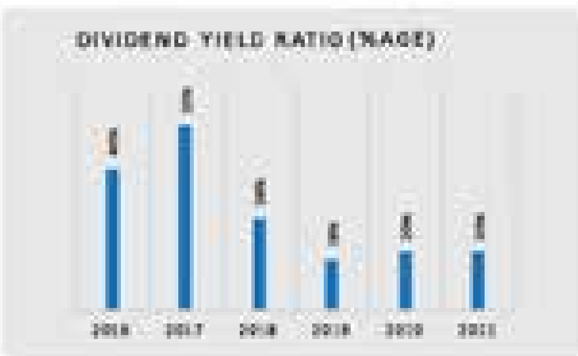


Financial Highlights	2021	2020	2019	2018	2017	2016
Investment / Market Ratios:						
Earning per share - Basic - (Rupees)	9.21	5.11	5.85	5.64	8.25	7.48
Earning per share - Diluted - (Rupees)	9.21	5.11	5.85	5.64	8.25	7.48
Price earning ratio	8.17	6.96	4.28	9.75	12.75	10.70
Price to book ratio	75.2:67.35	35.51:60.04	25.05:56.69	54.99:52.86	105.13:49.31	80.03:45.90
Dividend yield ratio	20%	20%	18%	28%	50%	40%
Dividend payout ratio (%age)	21.72	39.17	29.92	48.76	60.63	53.50
Dividend cover ratio - (Times)	4.60	2.55	3.34	2.05	1.65	1.87
Cash dividend per share - (Rupees)	2	2	1.75	2.75	5	4
Stock dividend per share	-	-	-	-	-	15%
Breakup value per share - (Rupees):						
- without revaluation surplus	67.35	47.20	43.85	40.02	35.77	32.44
- with revaluation surplus	67.35	60.04	56.69	52.86	49.31	45.90
- with revaluation surplus and investments at fair value	96.89	89.59	72.26	95.83	158.50	145.35
Market value per share at the end of the year - (Rupees)	75.2	35.51	25.05	54.99	105.13	80.03
Share Price - High during the year - (Rupees)	80	45	57.25	106.00	128.50	82.34
Share Price - Low during the year - (Rupees)	35.51	19.28	25.05	54.99	78.95	60.94
Earning assets to total assets ratio (%age)	69.17	69.02	72.26	72.8	74.19	68.38



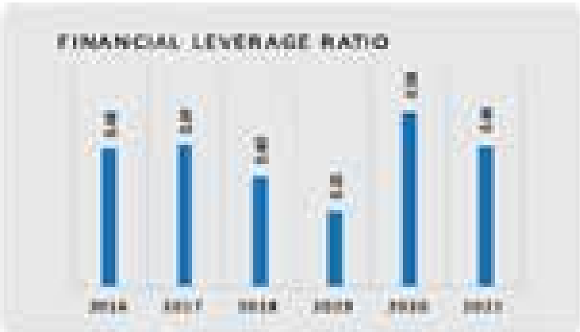


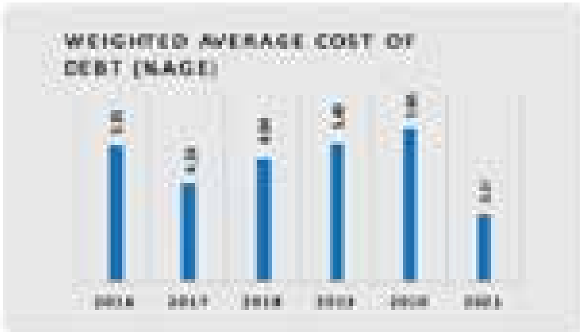


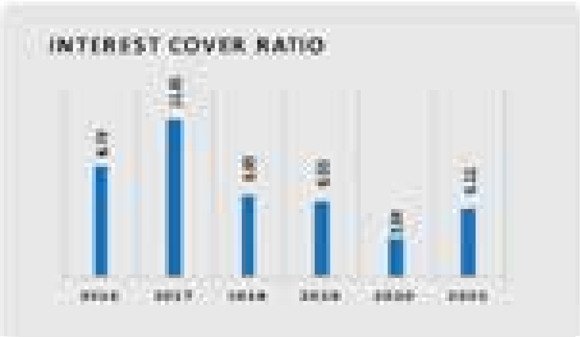


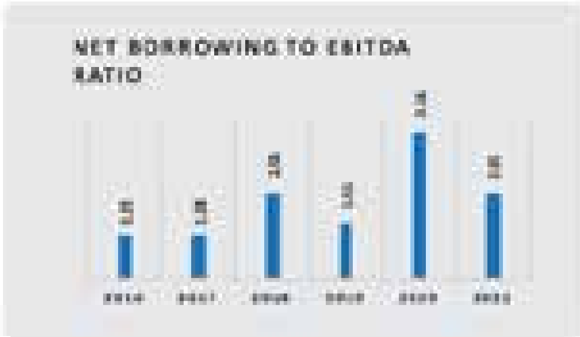
Financial Highlights

Financial Highlights	2021	2020	2019	2018	2017	2016
Capital Structure Ratios:						
Financial leverage ratio	0.48	0.58	0.30	0.40	0.49	0.48
Weighted average cost of debt (%age)	3.17	5.90	5.40	4.94	4.16	5.35
Debt to equity ratio (as per book)	17 : 83	14 : 86	10 : 90	10 : 90	10 : 90	7 : 93
Debt to equity ratio (as per market value)	16 : 84	22 : 78	21 : 79	9 : 91	5 : 95	4 : 96
Interest cover ratio	6.12	3.34	6.55	6.95	11.85	8.79
Average operating working capital to sales ratio	0.21	0.23	0.19	0.22	0.20	0.20
Net borrowing to EBITDA ratio	2.02	3.16	1.51	2.05	1.28	1.25



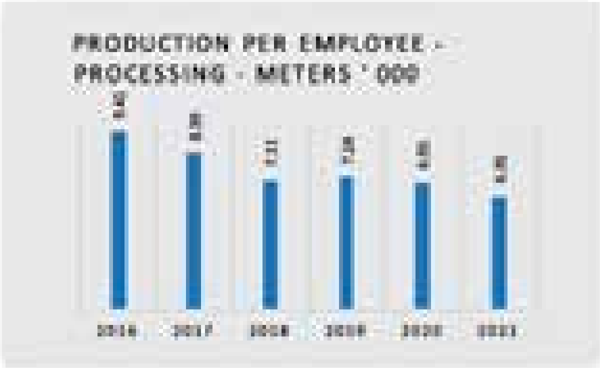




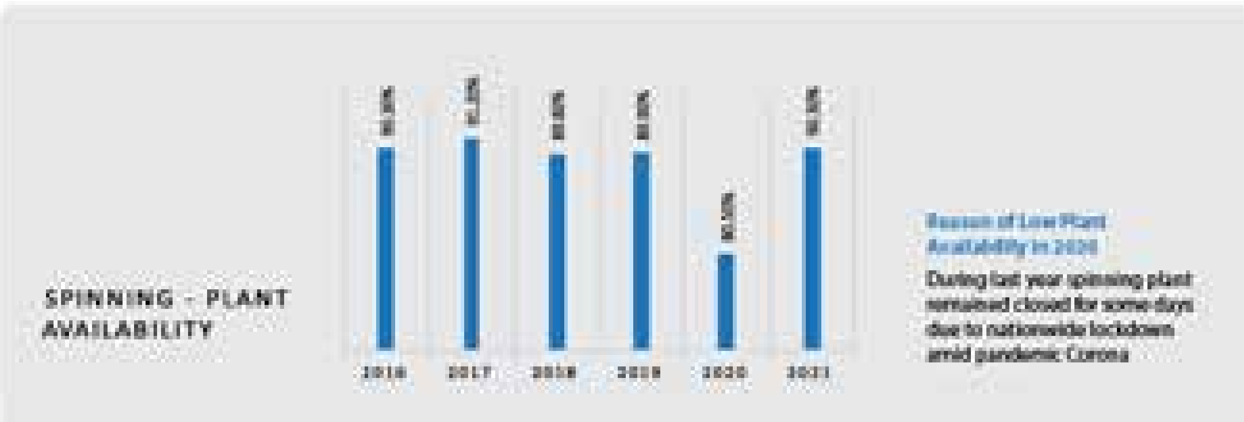


Financial Highlights

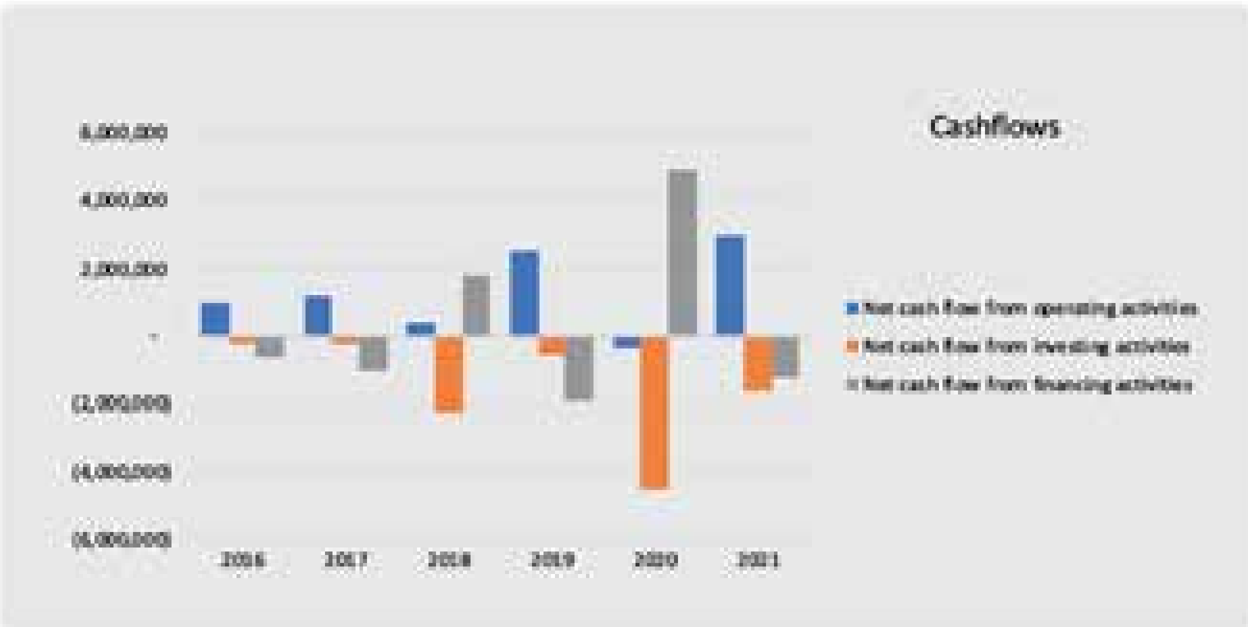
Financial Highlights	2021	2020	2019	2018	2017	2016
Employee Productivity Ratio's:						
Production per employee						
Spinning - Kg's 000	45.8	42.18	43.22	42.37	38.63	38.76
Processing - Meters ' 000	6.35	7	7.24	7.11	8.39	9.41
Weaving - Sq. Meter '000	114.28	98.09	119.55	117.72	110.57	105.66
Revenue per employee (Rupees '000)	5,812	4,147	4,477	3,730	3,490	3,397
Staff Turnover Ratio-%	1%	0.9%	0.85%	1.1%	1.25%	1.3%



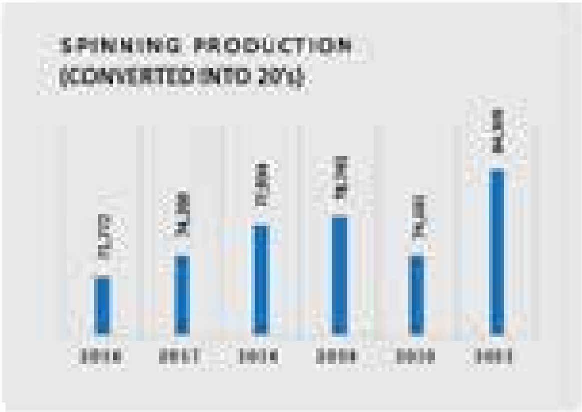
Financial Highlights	2021	2020	2019	2018	2017	2016
Non-Financial Ratio's:						
Plant Availability						
Spinning	90.30%	80.50%	89.90%	89.80%	91.20%	90.30%
Processing	83.30%	87.80%	70.10%	69.40%	85.50%	91.10%
Weaving	93.70%	81.40%	91.80%	91.20%	89.40%	92.10%
Customer Satisfaction index	95.10%	93.25%	94.49%	91.10%	90.65%	90.10%
Others:						
Spares inventory as % of asset cost	0.58%	0.43%	0.48%	2.11%	2.46%	2.37%
Maintenance cost as % operating expenses	7.50%	8.10%	7.40%	8.10%	8.80%	9%

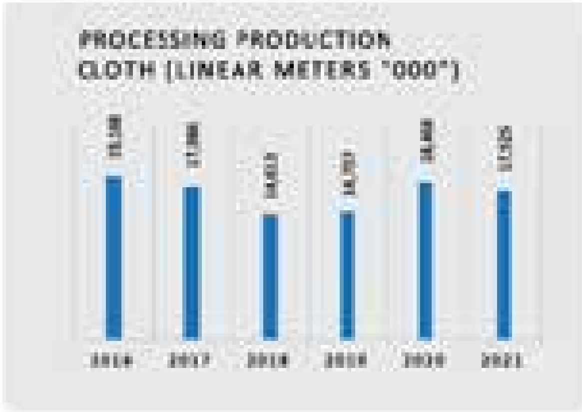


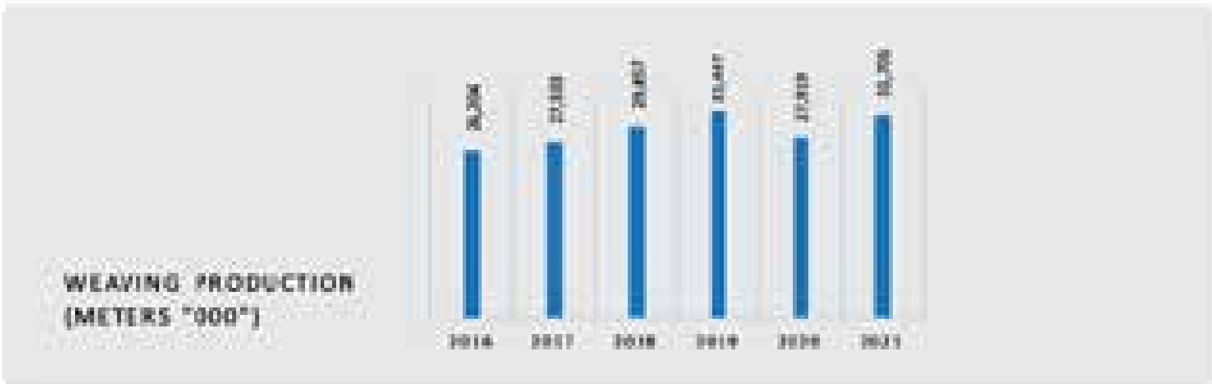
Financial Highlights	2021	2020	2019	2018	2017	2016
						PKR ‘000’
Summary of Cash flows						
Net cash flow from operating activities	2,898,473	(390,215)	2,493,699	394,884	1,171,639	1,002,347
Net cash used in investing activities	(1,616,862)	(4,481,124)	(572,930)	(2,202,943)	(196,570)	(247,653)
Net cash (used in) / from financing activities	(1,218,338)	4,841,586	(1,866,308)	1,815,029	(1,049,146)	(640,497)
Net change in cash and cash equivalents	63,273	(29,753)	54,461	6,970	(74,077)	114,197



Financial Highlights	2021	2020	2019	2018	2017	2016
Quantitative Data						
Yarn (Kgs “000”) :						
Production (cont. into 20s)						
KTM Division	46,536	39,810	41,751	41,331	39,574	38,473
KGM Division	37,773	34,382	36,994	36,603	34,816	33,299
	84,309	74,192	78,745	77,934	74,390	71,772
Sales / Tran.for wvg.(actual count)						
KTM Division	19,329	16,118	16,699	16,483	12,356	11,017
KGM Division	6,573	6,071	5,858	5,724	5,284	5,106
	25,902	22,189	22,557	22,207	17,640	16,123
Cloth (Linear meters “000”) :						
Processing (Rawalpindi Division)						
Production	17,525	18,468	14,757	14,613	17,986	19,168
Sales	18,101	15,067	12,967	13,809	17,641	18,355
Weaving (Raiwind Division)						
Production	31,705	27,919	32,447	29,857	27,533	26,204
Sales	32,998	26,654	32,299	29,817	27,021	26,614



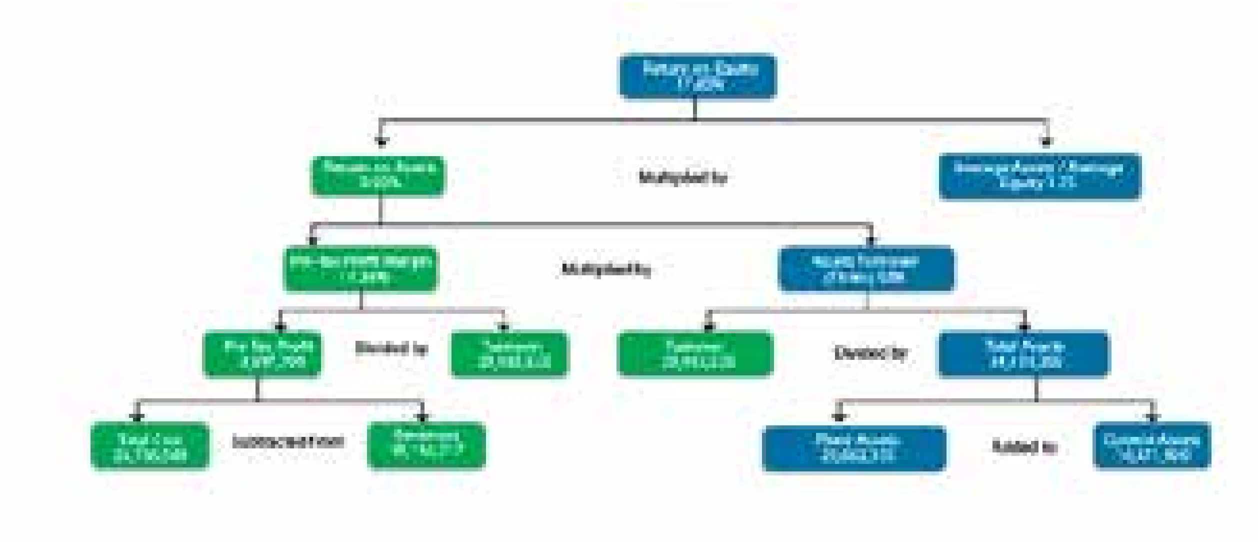




Production in spinning / weaving divisions is continuously increasing due to inclusion of latest machinery with better efficiencies. Production of processing / home textile division is dependent on various factor such as run / cut size, print density etc. therefore it is showing slight adverse trend over the period.

RETURN ON EQUITY (ROE)

DuPont Analysis (RS. '000)

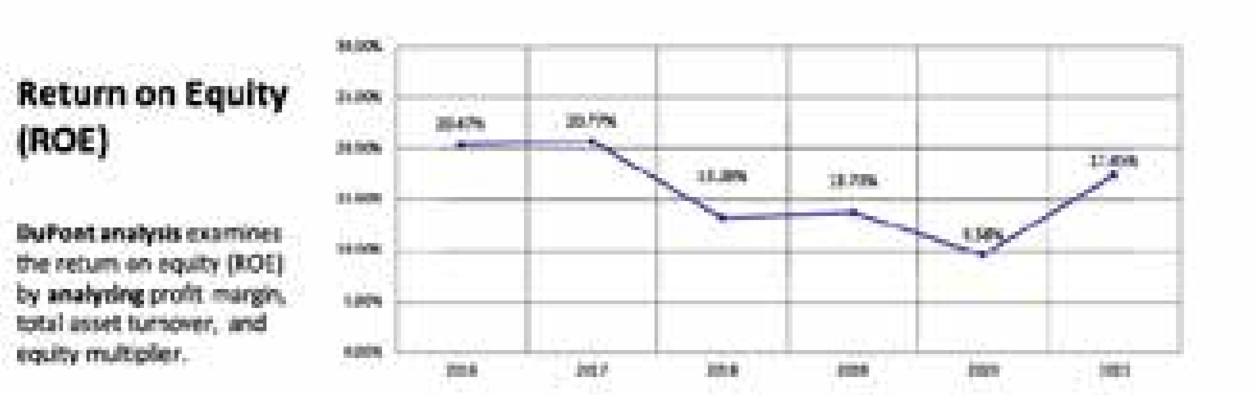


Comments:

1. DuPont equation indicates increase in ROE over the period. Key driving factors in increased ROE are profit margin and total asset turnover.

2. Profit margin increased because of better selling margins and volumes as compared with previous year.

3. Increased equity multiplier coupled with improved asset turnover & profit margins helped achieve increased return on equity as compared with preceding year.



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, except some expansion in fabric digital print and solar power installation, 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 noncash 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.

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. 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.

WE ARE EXPANDING OUR DEPTH AND BREADTH

07

Financial Statements
for the Year Ended June 30, 2021

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 2021, 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 2021 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.

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Sr. No.	Key audit matters	How the matters were addressed in our audit
1	Inventory existence and valuation: Inventory as at 30 June 2021 amounted to Rupees 4,784.331 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 811.473 million - Stock-in-trade Rupees 3,972.858 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 14.02% of the total assets of the Company as at 30 June 2021, and the judgment involved in valuation. For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.16 to the financial statements. - Stores, spare parts and loose tools note 20 and Stock-in-trade note 21 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	**Capital expenditures** The Company is investing significant amounts in its operations and there are a number of areas where management judgment impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful lives of the assets including the impact of changes in the Company's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Summary of significant accounting policies, Property, plant, equipment and depreciation note 2.7 to the financial statements. - Property, plant and equipment note 16 to the financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature; • We evaluated the appropriateness of capitalization policies and depreciation rates; • We performed tests of details on costs capitalized; and • We verified the accuracy of management's calculation used for the impairment testing.
3	**Revenue recognition** The Company recognized net revenue of Rupees 29,955.525 million for the year ended 30 June 2021. 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: - Summary of significant accounting policies, Revenue from contracts with customers note 2.23 to the financial statements. - Revenue note 27 to the financial statements.	Our procedures included, but were not limited to: • We obtained 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; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared 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; • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; • We also considered 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.

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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Raheel Arshad.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad

DATE: 13 August 2021

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021	2020
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
370,000,000 (2020: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2020: 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	3	2,992,964	2,992,964
Reserves	4		
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		3,871,774	3,843,044
		4,857,851	4,829,121
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		10,856,251	8,698,514
		12,306,742	10,149,005
Total reserves		17,164,593	14,978,126
Total equity		20,157,557	17,971,090
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	3,173,974	2,860,987
Deferred government grants	6	24,287	-
Gas Infrastructure Development Cess (GIDC) payable	7	14,294	-
Deferred income tax liability	8	671,102	550,564
		3,883,657	3,411,551
CURRENT LIABILITIES			
Trade and other payables	9	2,657,455	2,535,813
Accrued mark-up	10	65,021	196,614
Short term borrowings	11	5,558,536	7,479,127
Current portion of non-current liabilities	12	1,299,221	357,307
Unclaimed dividend	13	30,592	29,769
Taxation - net	14	482,216	722,495
		10,093,041	11,321,125
		13,976,698	14,732,676
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		34,134,255	32,703,766

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

	Note	2021	2020
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	10,706,281	9,699,484
Investment properties	17	1,824,360	1,792,755
Long term investments	18	11,078,733	11,078,733
Long term deposits	19	52,961	52,958
		23,662,335	22,623,930
CURRENT ASSETS			
Stores, spare parts and loose tools	20	811,473	705,750
Stock-in-trade	21	3,972,858	5,362,714
Trade debts	22	3,266,729	2,360,050
Advances	23	612,203	306,325
Short term prepayments		14,599	10,803
Other receivables	24	1,410,306	1,064,784
Short term investments	25	133,866	82,797
Cash and bank balances	26	249,886	186,613
		10,471,920	10,079,836
TOTAL ASSETS		34,134,255	32,703,766

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

	Note	2021	2020
		(Rupees in thousand)	
REVENUE	27	29,955,525	21,844,810
COST OF SALES	28	(23,822,897)	(17,854,630)
GROSS PROFIT		6,132,628	3,990,180
DISTRIBUTION COST	29	(1,218,390)	(821,609)
ADMINISTRATIVE EXPENSES	30	(643,123)	(602,467)
OTHER EXPENSES	31	(388,309)	(178,545)
		(2,249,822)	(1,602,621)
		3,882,806	2,387,559
OTHER INCOME	32	178,692	293,511
PROFIT FROM OPERATIONS		4,061,498	2,681,070
FINANCE COST	33	(663,789)	(802,869)
PROFIT BEFORE TAXATION		3,397,709	1,878,201
TAXATION	34	(641,380)	(350,158)
PROFIT AFTER TAXATION		2,756,329	1,528,043

		2021	2020
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	35	9.21	5.11

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 2021

	2021	2020
	(Rupees in thousand)	
PROFIT AFTER TAXATION	2,756,329	1,528,043
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
- Surplus on revaluation of freehold land	28,730	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	28,730	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,785,059	1,528,043

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 2021

	Share capital	Reserves								Total equity
		Capital reserves			Revenue reserves			Total reserves		
		Share premium	Surplus on revaluation of freehold land and investment properties	Sub - Total	General reserve	Unappropriated profit	Sub - Total			
	(Rupees in thousand)									
Balance as at 01 July 2019	2,992,964	986,077	3,843,044	4,829,121	1,450,491	7,694,239	9,144,730	13,973,851		16,966,815
Transactions with owners:										
- final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	(224,472)	(224,472)	(224,472)		(224,472)
- interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)		(299,296)
	-	-	-	-	-	(523,768)	(523,768)	(523,768)		(523,768)
Profit for the year	-	-	-	-	-	1,528,043	1,528,043	1,528,043		1,528,043
Other comprehensive income for the year	-	-	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	-	1,528,043	1,528,043	1,528,043		1,528,043
Balance as at 30 June 2020	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,698,514	10,149,005	14,978,126		17,971,090
Transactions with owners:										
- final dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)		(299,296)
- interim dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)		(299,296)
	-	-	-	-	-	(598,592)	(598,592)	(598,592)		(598,592)
Profit for the year	-	-	-	-	-	2,756,329	2,756,329	2,756,329		2,756,329
Other comprehensive income for the year	-	-	28,730	28,730	-	-	-	28,730		28,730
Total comprehensive income for the year	-	-	28,730	28,730	-	2,756,329	2,756,329	2,785,059		2,785,059
Balance as at 30 June 2021	2,992,964	986,077	3,871,774	4,857,851	1,450,491	10,856,251	12,306,742	17,164,593		20,157,557

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 2021

	Note	2021	2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	4,454,979	628,069
Finance cost paid		(795,382)	(680,070)
Income tax paid		(761,121)	(337,845)
Net increase in long term deposits		(3)	(369)
Net cash generated from / (used in) operating activities		2,898,473	(390,215)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,696,204)	(1,396,465)
Proceeds from disposal of property, plant and equipment		109,825	46,230
Long term investments made		-	(3,343,934)
Proceeds from disposal of long term investments		-	24,800
Short term investments made		(153,569)	(193,544)
Proceeds from disposal of short term investments		102,500	162,188
Interest received		20,586	55,683
Dividend received		-	163,918
Net cash used in investing activities		(1,616,862)	(4,481,124)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,611,794	1,414,291
Repayment of long term financing		(419,316)	(392,726)
Grant received during the year		107,544	-
Short term borrowings - net		(1,920,591)	4,337,604
Dividend paid		(597,769)	(517,583)
Net cash (used in) / from financing activities		(1,218,338)	4,841,586
Net increase / (decrease) in cash and cash equivalents		63,273	(29,753)
Cash and cash equivalents at the beginning of the year		186,613	216,366
Cash and cash equivalents at the end of the year		249,886	186,613

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 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 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.

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 18 to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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:

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, 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

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. The Company has elected to measure loss allowance for trade debts using IFRS 9 'Financial Instruments' simplified approach 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 recognised provision is recognized in the statement of profit or loss unless the provision was originally recognised 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 land and investment properties (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 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised 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 2020 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 amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 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 2023. 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'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above 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 2021 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 Employee benefit

The Company operates an approved funded provident fund scheme covering all 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.

2.3 Taxation

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. 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

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.

2.4 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.

2.5 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.

2.6 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.

2.7 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 16.1. 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.

2.8 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.

2.9 IFRS 16 "Leases"

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, which comprises 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 income 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.

2.10 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.

2.11 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.

2.12 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 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 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.

2.13 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.

2.14 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.

2.15 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'.

2.16 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.

2.17 Trade and other receivables

Trade debts are initially recognised 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.

2.18 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.

2.19 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 statement of profit or loss.

2.20 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.21 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.

2.22 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.

2.23 Revenue from contracts with customers

i) 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.

ii) 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.

iii) 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.

iv) 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.

v) 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.

vi) 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.

vii) 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.

2.24 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.

2.25 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 cannot 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).

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.

2.26 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in 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 Government grants

The Company 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 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.

2.28 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.

2.29 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.

2.30 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.

2.31 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. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
(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
169,182,327	169,182,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,691,823	1,691,823
299,296,456	299,296,456		2,992,964	2,992,964

	Note	2021 (Rupees in thousand)	2020
4. RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Share premium	4.1	986,077	986,077
Surplus on revaluation of freehold land and investment properties:			
- Freehold land			
As at 01 July		2,579,452	2,579,452
Increase due to revaluation to fair value	16.1	28,730	-
As at 30 June		2,608,182	2,579,452
- Investment properties		1,263,592	1,263,592
		3,871,774	3,843,044
		4,857,851	4,829,121
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		10,856,251	8,698,514
		12,306,742	10,149,005
		17,164,593	14,978,126

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	Note	2021 (Rupees in thousand)	2020
5. LONG TERM FINANCING			
Long term loans:			
From banking companies and other financial institutions - secured	5.1	4,206,691	2,968,283
Less: Current portion shown under current liabilities	12	(1,032,717)	(107,296)
		3,173,974	2,860,987

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
5.1 Long term loans							
The Bank of Punjab	128,087	129,004	600,000	SBP LTFF rate + 2.50%	Sixteen equal quarterly installments commenced from 09 September 2016 and ending on 07 November 2021.	Quarterly	Joint pari passu charge amounting to Rupees 2,000 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	384,684	387,775	400,000	SBP LTFF rate + 1%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	
	465,504	461,143	500,000	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	978,275	977,922	1,500,000				
The Bank of Punjab	129,600	-	400,000	3 Month Kibor + 1%	Twenty four equal quarterly installments after grace period for every tranche from its date of disbursement.	Quarterly	Ranking charge amounting to Rupees 533 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
MCB Bank Limited	26,032	78,804	317,679	SBP LTFF rate + 2.5%	Twenty eight equal quarterly installments commenced from 25 November 2015 and ending on 10 December 2021.	Quarterly	First pari passu charge over land and building of Raiwind Division amounting to Rupees 467 million, and plant and machinery of the Company and personal guarantees of the sponsor directors.
MCB Bank Limited (Note 5.1.1)	418,522	-	500,000	SBP TERF rate + 1%	Twenty four equal quarterly installments commencing from 25 May 2023 and ending on 04 June 2031.	Quarterly	Ranking charge amounting to Rupees 667 million on all the fixed assets (excluding land and building) of the Company.
National Bank of Pakistan	474,449	452,750	500,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 10 February 2025.	Half yearly	Joint pari passu charge amounting to Rupees 1,624 million (inclusive of 25% margin) over plant and machinery of the Company.
	202,710	217,530	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 24 June 2026.	Half yearly	
	340,371	373,466	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments after expiry of 18 months from the date of first disbursement.	Half yearly	
	1,017,530	1,043,746	1,218,000				
National Bank of Pakistan	89,362	-	143,000	SBP LTFF rate + 1%	Twelve equal half yearly installments commencing from 18th month of first drawdown and subsequently every 6 month or as per SBP finalized repayment schedule.	Half yearly	Ranking charge amounting to Rupees 190.667 million on all the fixed assets (excluding land and building) of the Company.
National Bank of Pakistan	18,107	-	500,000	SBP LTFF rate + 1%	Twelve equal half yearly installments commencing from 18th month of first drawdown and subsequently every 6 month or as per SBP finalized repayment schedule.	Half yearly	Ranking charge amounting to Rupees 667 million on all the fixed assets (excluding land and building) of the Company.
PAIR Investment Company Limited	180,484	180,484	300,000	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2025.	Quarterly	Joint pari passu charge over fixed assets (excluding land and building) amounting to Rupees 400 million of Rawalpindi and Gujar Khan Division and personal guarantees of the sponsor directors.
	54,033	-	119,500	SBP LTFF rate + 1.5%	Twenty equal quarterly installments commencing from 27th month of the date of first disbursement.	Quarterly	
	234,517	180,484	419,500				

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited	172,558	211,781	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	First pari passu charge over land and building of Raiwind Division amounting to Rupees 467 million, and plant and machinery of the Company and personal guarantees of the sponsor directors.
Allied Bank Limited	410,790	132,641	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commencing from 21 July 2021 and ending on 23 June 2028.	Quarterly	Joint pari passu charge amounting to Rupees 2,000 million (inclusive of 25 % Margin) over plant and machinery of the Company.
Allied Bank Limited (Note 5.1.2)	711,398	342,905	1,000,000	SBP LTFF rate for payment of wages & salaries + 0.5% to 1.00%	Eight equal quarterly installments commenced from 31 January 2021 and ending on 25 November 2022.	Quarterly	
	1,122,188	475,546	1,500,000				
	4,206,691	2,968,283	6,848,179				

5.1.1 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 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:

	2021	2020
	(Rupees in thousand)	
Balance at beginning of the year	-	-
Disbursements during the year	441,534	-
Repayments during the year	-	-
	441,534	-
Discounting adjustments for recognition at fair value - deferred government grant	(23,575)	-
Unwinding of discount on liability	563	-
Balance as at end of the year	418,522	-

5.1.2 These represent long-term loans obtained under SBP Refinance Scheme for payment of wages and salaries to workers. The effective interest rate is calculated at 7.75% and the loans have been recognised at the present value. These loans are repayable in 8 equal quarterly installments commenced from 31 January 2021 discounted at the effective rate of interest. 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 Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan. The reconciliation of the carrying amount is as follows:

	Note	2021	2020
		(Rupees in thousand)	
Balance at beginning of the year		342,905	-
Disbursements during the year		657,095	342,905
Repayments during the year		(250,000)	-
		750,000	342,905
Discounting adjustments for recognition at fair value - deferred government grant		(83,969)	-
Unwinding of discount on liability		45,367	-
Balance as at end of the year		711,398	342,905

6. DEFERRED GOVERNMENT GRANTS

	Note	2021	2020
Government grant recognised during the year	6.1	107,544	-
Less: Amortisation of deferred government grant during the year		(45,930)	-
		61,614	-
Less: Current portion of deferred government grant	12	(37,327)	-
		24,287	-

6.1 This represents deferred government grants in respect of long term loan obtained under "SBP Temporary Economic Refinance Facility" for import of plant and machinery and SBP Refinance Scheme for payment of wages and salaries to workers as disclosed in note 5.1.1 & 5.1.2 to the financial statements, respectively. There are no unfulfilled conditions or other contingencies attached to these grants.

7. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE

	Note	2021	2020
		(Rupees in thousand)	
Balance at the beginning of the year		250,011	250,011
Less: Gain on remeasurement of GIDC	32	(19,588)	-
Add: Unwinding of discount on GIDC payable	33	13,048	-
		243,471	250,011
Less: Current portion of GIDC payable	12	(229,177)	(250,011)
	7.1	14,294	-

7.1 This represents non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Company, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which was pending adjudication at the end of last year. However, during the year Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, has decided the case in favor of SNGPL. Now the Company is to pay the balance amount of GIDC in 24 equal monthly installments. This liability has been recognized at fair value using discount rate of 8.23% per annum and the difference between the fair value and the total amount of liability is recognized in statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability is recognized in statement of profit or loss as finance cost.

	Note	2021	2020
		(Rupees in thousand)	

8. DEFERRED INCOME TAX LIABILITY

This comprises of following:

	Note	2021	2020
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		694,466	568,432
Deferred tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(21,138)	(15,642)
Provision against obsolete stock in trade		(1,132)	(1,132)
Provision against slow moving stores, spare parts and loose tools		(1,094)	(1,094)
		(23,364)	(17,868)
	8.1	671,102	550,564

8.1 Movement in deferred tax balances is as follows:

	Note	2021	2020
At beginning of the year		550,564	593,732
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		126,034	(35,384)
- allowance for expected credit losses		(5,496)	(7,044)
- Provision against slow moving stores, spare parts and loose tools		-	(740)
	34	120,538	(43,168)
		671,102	550,564

8.2 Deductible temporary differences are considered to the extent that the realization of related tax benefits is probable from reversals of existing taxable temporary differences and future taxable profits.

9. TRADE AND OTHER PAYABLES

	Note	2021	2020
		(Rupees in thousand)	
Creditors		1,065,125	1,187,371
Accrued liabilities		508,531	467,701
Duties and taxes		451,191	396,360
Sindh infrastructure development cess		99,238	68,880
Contract liabilities - unsecured		151,146	148,422
Workers' profits participation fund	9.1	172,343	193,553
Workers' Welfare Fund		90,480	38,330
Payable to subsidiary company - Maple Leaf Cement Factory Limited - net		96,779	-
Payable to subsidiary company - Maple Leaf Capital Limited		1,939	-
Withholding income tax payable		3,699	7,918
Payable to employees' provident fund trust		4,909	10,725
Others		12,075	16,553
		2,657,455	2,535,813

9.1 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 that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others are in the process of filing 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.

	Note	2021	2020
		(Rupees in thousand)	
9.2 Workers' profits participation fund			
Balance as on 01 July		193,553	197,365
Interest for the period	33	10,172	14,524
Provision for the year	31	163,719	92,622
		367,444	304,511
Less: Payments during the year		(195,101)	(110,958)
		172,343	193,553

9.2.1 The Company retains workers' profits participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	Note	2021	2020
		(Rupees in thousand)	
10. ACCRUED MARK-UP			
Long term loans:			
From banking companies		29,547	26,398
Short term borrowings:			
From banking companies		35,474	146,985
From Maple Leaf Capital Limited - subsidiary company		-	23,231
		35,474	170,216
		65,021	196,614
11. SHORT TERM BORROWINGS			
From banking companies - secured			
Short term running finances	11.1 & 11.2	46,593	1,501,348
Other short term finances	11.1 & 11.3	989,664	1,961,738
State Bank of Pakistan (SBP) refinances	11.1 & 11.4	4,519,777	3,538,802
Temporary overdraft	11.5	2,502	32,023
		5,558,536	7,033,911
From subsidiary company - unsecured			
Maple Leaf Capital Limited		-	445,216
		5,558,536	7,479,127

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 12,070 million (2020: Rupees 12,046 million).

11.2 The rates of mark-up range from 8.25% to 8.59% (2020: 3.46% to 20%) per annum on balance outstanding.

11.3 The rates of mark-up range from 2.97% to 9.21% (2020: 2.97 % to 15.41%) per annum on balance outstanding.

11.4 The rate of mark-up is 3.0% (2020: 3.0%) per annum on balance outstanding.

11.5 This represents temporary overdraft due to cheques issued by the Company at the statement of financial position date.

	Note	2021	2020
		(Rupees in thousand)	
12. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	5	1,032,717	107,296
Deferred government grant	6	37,327	-
Current portion of GIDC payable	7	229,177	250,011
		1,299,221	357,307

13. UNCLAIMED DIVIDEND

It is payable on demand.

14. TAXATION - NET

	Note	2021	2020
Balance as at 01 July		722,495	667,014
Add: Provision for the year	34	520,842	393,326
Less: Tax deducted at source / paid during the year		(761,121)	(337,845)
Balance as at 30 June		482,216	722,495

15. CONTINGENCIES AND COMMITMENTS

15.1Contingencies

a) The Company filed an appeal before Appellate Tribunal Inland Revenue, Lahore for the tax year 2003 against order of Commissioner Inland Revenue (Appeals) (CIR(A)) dated 18 September 2008 passed under section 122 (5A) of the Income Tax Ordinance, 2001 wherein the order of the Assessing Officer creating demand of Rupees 20.780 million was upheld. In addition to above, another appeal for the tax year 2003 was filed by the tax department before Appellate Tribunal Inland Revenue against the order of CIR (A) passed under section 221, through which order of the assessing officer regarding disallowance of depreciation expense amounting to Rupees 62.666 million and penalty levied amounting to Rupees 17.484 million had been annulled. An appeal before Appellate Tribunal Inland Revenue is pending for hearing. No provision has been made in these financial statements as the Company is hopeful of favorable outcome of these cases.

b) 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 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 against above orders which are still pending for hearing. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome.

c) 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 & 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, which is still pending for hearing. 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 Commissioner Inland Revenue (Appeals) 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.

d) 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 Commissioner Inland Revenue (Appeals) who granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the Honorable Appellate Tribunal Inland Revenue 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.

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.

f) 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 175.619 million (2020: Rupees 87.996 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

g) The Company filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2020: 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.

h) 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.

i) The Company filed an appeal before Supreme Court of Pakistan against an order of Lahore High Court, Rawalpindi Bench on an appeal filed by supplier for non-payment by the Company. The Company has provided a guarantee of Rupees 4.254 million on the directions of Supreme Court of Pakistan. Appeal is pending adjudication and the Company expects a favorable outcome.

j) 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 371.011 million (2020: Rupees 331.011 million).

15.2 Commitments in respect of:

a) Contracts for capital expenditures amounting to Rupees Nil (2020: Rupees 12.035 million).

b) Letters of credit for capital expenditure amounting to Rupees 927.920 million (2020: Rupees 116.522 million).

c) Letters of credit other than for capital expenditure amounting to Rupees 3,303.062 million (2020: Rupees 424.041 million).

	2021	2020
	(Rupees in thousand)	
16. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 16.1)	10,119,371	9,260,304
Capital work-in-progress (Note 16.2)	586,910	439,180
	10,706,281	9,699,484

16.1 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 2019											
Cost / revalued amount	2,739,557	37,800	1,525,290	126,352	9,949,963	49,358	115,630	80,751	53,647	245,827	14,924,175
Accumulated depreciation	-	(8,989)	(796,523)	(69,953)	(4,877,293)	(36,471)	(93,635)	(58,251)	(31,753)	(119,538)	(6,092,406)
Net book value	2,739,557	28,811	728,767	56,399	5,072,670	12,887	21,995	22,500	21,894	126,289	8,831,769
Year ended 30 June 2020											
Opening net book value	2,739,557	28,811	728,767	56,399	5,072,670	12,887	21,995	22,500	21,894	126,289	8,831,769
Additions / transfers	-	1,288	122,539	11,119	833,437	400	19,260	4,791	6,899	33,353	1,033,086
Disposals:											
Cost	-	-	-	-	(138,073)	-	(291)	-	-	(14,286)	(152,650)
Accumulated depreciation	-	-	-	-	101,835	-	203	-	-	10,712	112,750
	-	-	-	-	(36,238)	-	(88)	-	-	(3,574)	(39,900)
Depreciation charge	-	(358)	(61,917)	(3,749)	(462,008)	(1,516)	(7,499)	(2,457)	(2,406)	(22,741)	(564,651)
Closing net book value	2,739,557	29,741	789,389	63,769	5,407,861	11,771	33,668	24,834	26,387	133,327	9,260,304
At 30 June 2020											
Cost / revalued amount	2,739,557	39,088	1,647,829	137,471	10,645,327	49,758	134,599	85,542	60,546	264,894	15,804,611
Accumulated depreciation	-	(9,347)	(858,440)	(73,702)	(5,237,466)	(37,987)	(100,931)	(60,708)	(34,159)	(131,567)	(6,544,307)
Net book value	2,739,557	29,741	789,389	63,769	5,407,861	11,771	33,668	24,834	26,387	133,327	9,260,304
Year ended 30 June 2021											
Opening net book value	2,739,557	29,741	789,389	63,769	5,407,861	11,771	33,668	24,834	26,387	133,327	9,260,304
Revaluation surplus (Note 4)	28,730	-	-	-	-	-	-	-	-	-	28,730
Additions / transfers	-	-	168,995	19,734	1,194,990	20,296	13,958	57,507	9,866	63,128	1,548,474
Disposals:											
Cost	-	-	-	-	(214,378)	-	(1,678)	-	-	(18,540)	(234,596)
Accumulated depreciation	-	-	-	-	147,666	-	795	-	-	8,733	157,194
	-	-	-	-	(66,712)	-	(883)	-	-	(9,807)	(77,402)
Depreciation charge	-	(369)	(73,387)	(4,678)	(517,254)	(2,373)	(10,927)	(5,020)	(2,969)	(23,758)	(640,735)
Closing net book value	2,768,287	29,372	884,997	78,825	6,018,885	29,694	35,816	77,321	33,284	162,890	10,119,371
At 30 June 2021											
Cost / revalued amount	2,768,287	39,088	1,816,824	157,205	11,625,939	70,054	146,879	143,049	70,412	309,482	17,147,219
Accumulated depreciation	-	(9,716)	(931,827)	(78,380)	(5,607,054)	(40,360)	(111,063)	(65,728)	(37,128)	(146,592)	(7,027,848)
Net book value	2,768,287	29,372	884,997	78,825	6,018,885	29,694	35,816	77,321	33,284	162,890	10,119,371
Depreciation rate (%)	-	5	5 - 10	5 - 10	10	10	30	10	10	20	

16.1.1 Freehold land was revalued by an independent valuer Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2021. Book value of freehold land on cost basis is Rupees 160.105 million (2020: Rupees 160.105 million) as at 30 June 2021. Had there been no revaluation, the value of freehold land would have been lower by Rupees 2,608.182 million (2020: Rupees 2,579.452 million). Forced sale value of freehold land is Rupees 2,353.044 million (2020: Rupees 2,328.623 million).

16.1.2 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							
Carding Crossrol MK-6	14,195	10,403	3,792	7,720	3,928	Negotiation	Ideal Trading Company, Faisalabad
Schlafhorst Auto Winder RM-338	11,642	8,630	3,012	3,453	441	Negotiation	Crescent Cotton Mill Limited, Faisalabad
Schlafhorst Auto Winder RM-338	22,855	17,019	5,836	4,566	(1,270)	Negotiation	Husnain Textile Mills (Private) Limited, Lahore
Comber Rieter E-60 Model-1995	2,203	764	1,439	1,752	313	Negotiation	AN Textile Mills Limited, Faisalabad
Rieter Draw Frame RSB D-30 & SB-2	10,474	8,393	2,081	6,039	3,958	Negotiation	Quetta Textile Mills Limited, Karachi
Rieter Draw Frame Rsb D-30	3,548	2,736	812	2,772	1,960	Negotiation	Asher Imran Spinning Mills (Private) Limited, Lahore
Carding Crosrol MK-6	5,291	3,791	1,500	2,180	680	Negotiation	Shakarganj Limited, Lahore
Mk-7 Cards Crosrol	30,555	11,483	19,072	19,110	38	Negotiation	Paradise Spinning Mills (Private) Limited, Faisalabad
Auto Cone Winder Savio Orion-M	9,068	6,718	2,350	2,200	(150)	Negotiation	HIK Textiles (Private) Limited, Lahore
Juki - DDL-5550N - L/S	6,501	5,293	1,208	1,318	110	Negotiation	Instant Print System (Private) Limited, Islamabad
Auto Cone Winder Savio Orion-L	15,039	8,782	6,257	5,200	(1,057)	Negotiation	HIK Textiles (Private) Limited, Lahore
Boiler-Complete	7,324	6,377	947	868	(79)	Negotiation	Sanadeed Trading Company, Faisalabad
Autowinder Schlafhorst RM-338	57,267	43,476	13,791	18,865	5,074	Negotiation	Husnain Textile Mills (Private) Limited, Lahore
Delta Machine Single Needle Quilting	11,585	8,400	3,185	12,600	9,415	Negotiation	Zubaida Industry, Karachi
	207,547	142,265	65,282	88,643	23,361		
Vehicles							
Toyota GLI RI-15-899	1,890	1,167	723	1,870	1,147	Negotiation	E.F.U. General Insurance Limited, Karachi
Toyota GLI RI-16-499	1,922	1,088	834	1,900	1,066	Negotiation	E.F.U. General Insurance Limited, Karachi
Honda Vezel Hybrid AHJ-600	4,292	1,645	2,647	4,300	1,653	Negotiation	Anjum Shahzad Malik, Rawalpindi
Honda City Prosmatic LEC-18A-8700	1,986	671	1,315	1,315	-	Transfer	Maple Leaf Capital Limited, Lahore, Subsidiary Company
Honda Civic 1.5 TURBO-19-1919	4,656	1,358	3,298	3,298	-	Transfer	Maple Leaf Cement Factory Limited, Lahore, Subsidiary Company
	14,746	5,929	8,817	12,683	3,866		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	12,303	9,000	3,303	8,499	5,196		
	234,596	157,194	77,402	109,825	32,423		

	Note	2021	2020
		(Rupees in thousand)	

16.1.3 Depreciation charged during the year has been allocated as follows:

	Note	2021	2020
Cost of sales	28	594,743	524,447
Administrative expenses	30	45,992	40,204
		640,735	564,651

16.1.4 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
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	-
		204.51	2,840.27

16.2 Capital work in progress

	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
At 30 June 2019	75,150	651	-	75,801
Add: Additions during the year	201,900	727,471	-	929,371
Less: Transferred to operating fixed assets during the year	(134,946)	(431,046)	-	(565,992)
At 30 June 2020	142,104	297,076	-	439,180
Add: Additions during the year	222,484	1,039,729	73,609	1,335,822
Less: Transferred to operating fixed assets during the year	(188,729)	(927,909)	(71,454)	(1,188,092)
At 30 June 2021	175,859	408,896	2,155	586,910

17. INVESTMENT PROPERTIES

	Note	2021	2020
		(Rupees in thousand)	
Year ended 30 June			
Opening net book value		1,792,755	1,792,755
Fair value gain	32	31,605	-
Closing net book value		1,824,360	1,792,755

17.1 The fair value of investment properties comprising land situated at Rawalpindi and Lahore have been determined by an independent valuer, Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2021.

17.2 Forced sale value of these properties as at 30 June 2021 was Rupees 1,550.707 million (2020: Rupees 1,523.843 million).

17.3 Particulars of investment properties are as follows:

Description	Address	Total Area (Acres)	Covered Area (Sqr feet)
Land	Peshawar Road, Rawalpindi	43.95	-
Land & building	42-Lawrence Road, Lahore	4.70	26,059
		48.65	26,059

	Note	2021 (Rupees in thousand)	2020
18. LONG TERM INVESTMENTS			
Equity instruments - subsidiary companies:			
Maple Leaf Cement Factory Limited - Quoted	18.1	8,578,733	8,578,733
Maple Leaf Capital Limited - Un-quoted	18.2	2,500,000	2,500,000
		11,078,733	11,078,733

18.1.1 The Company holds 606,497,944 (2020: 606,497,944) ordinary shares of Rupees 10 each of Maple Leaf Cement Factory Limited. Equity held 55.22% (2020: 55.22%).

18.2 The Company holds 250,000,000 (2020: 250,000,000) ordinary shares of Rupees 10 each of Maple Leaf Capital Limited. Equity held 82.92% (2020: 82.92%).

19. LONG TERM DEPOSITS

Long term deposits include security deposits placed with utility companies.

	Note	2021 (Rupees in thousand)	2020
20. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	20.1	753,418	667,422
Spare parts and loose tools		61,827	42,100
		815,245	709,522
Less: Provision against slow moving stores, spare parts and loose tools		(3,772)	(3,772)
		811,473	705,750

20.1 This includes stores in transit of Rupees 20.999 million (2020: Rupees 26.045 million).

	Note	2021	2020
		(Rupees in thousand)	

21. STOCK-IN-TRADE

	Note	2021	2020
Raw materials	21.1 & 21.3	2,202,633	2,676,123
Work-in-process		786,993	1,000,429
Finished goods	21.2	987,136	1,690,066
		3,976,762	5,366,618
Less: Provision against obsolete stock in trade		(3,904)	(3,904)
		3,972,858	5,362,714

21.1 Raw materials and finished goods include stock in transit of Rupees 17.094 million (2020: Rupees 7.060 million) and Rupees 39.851 million (2020: Rupees 9.720 million) respectively.

21.2 Finished goods of Rupees 91.276 million (2020: Rupees 68.273 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 3.039 million (2020: Rupees 3.417 million).

21.3 Raw materials include stock amounting to Rupees 23.897 million (2020: Rupees 112.354 million) with external parties for processing.

22. TRADE DEBTS

Considered good:

	Note	2021	2020
		(Rupees in thousand)	
Secured (against letters of credit)		1,957,114	1,178,599
Unsecured		1,382,503	1,235,388
		3,339,617	2,413,987
Less: Allowance for expected credit losses	22.2	(72,888)	(53,937)
		3,266,729	2,360,050

22.1 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due with in 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

22.2 Allowance for expected credit losses

	Note	2021	2020
		(Rupees in thousand)	
Opening balance		53,937	29,646
Recognized during the year	31	18,951	24,291
Balance at end of year		72,888	53,937

22.3 As at 30 June 2021, trade debts of Rupees 676.415 million (2020: Rupees 859.924 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:

	Note	2021	2020
		(Rupees in thousand)	
Upto 1 month		433,662	249,682
1 to 6 months		233,716	598,507
More than 6 months		9,037	11,735
		676,415	859,924

22.4 Default is triggered when more than 360 days have passed. As at the reporting date there were no defaulting parties of outstanding trade debts from export sales.

22.5 The majority of export debts of the company are situated in Asia, Europe and America.

	Note	2021	2020
		(Rupees in thousand)	
23. ADVANCES			
Considered good:			
Employees - interest free	23.1		
- Executives		328	629
- Other employees		1,584	3,141
		1,912	3,770
Advances to suppliers		447,382	280,171
Letters of credit		162,909	22,384
		612,203	306,325

23.1 These advances are not carried at amortized cost as the impact was considered immaterial.

	Note	2021	2020
		(Rupees in thousand)	
24. OTHER RECEIVABLES			
Considered good:			
Sales tax refundable		864,748	733,211
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		29,987	33,529
Accrued interest		-	216
Duty draw back receivable		487,117	235,640
Due from subsidiary company - Maple Leaf Cement Factory Limited - net		-	35,528
Others		8,828	7,034
		1,410,306	1,064,784

25. SHORT TERM INVESTMENTS - amortized cost

These represent term deposit receipts of United Bank Limited having maturity period of one year and carrying profit at effective rate of 6.50% (2020: 6.25%). It is under lien with the bank against guarantees given on behalf of the Company.

	Note	2021	2020
		(Rupees in thousand)	
26. CASH AND BANK BALANCES			
Cash in hand		2,854	3,447
Cash at bank:			
- On current accounts		103,075	110,627
- On saving accounts	26.1	143,957	72,539
		247,032	183,166
		249,886	186,613

26.1 The balances in saving accounts carry rate of profit ranging from 2.34% to 5.50% (2020: 2.79% to 15.30%) per annum.

26.2 The balances in current and saving accounts include USD 64,311 (2020: USD 60,606).

26.3 The balances in saving accounts include an amount of Rupees 15.155 million (2020: Rupees 15.155 million) held under lien against guarantees issued by the bank on behalf of the Company.

	Note	2021	2020
		(Rupees in thousand)	
27. REVENUE			
Revenue from contracts with customers:			
- Export sales		11,949,562	9,182,133
- Local sales	27.1	17,639,406	12,491,415
		29,588,968	21,673,548
Export rebate		88,353	54,503
Duty draw back		278,204	116,759
		29,955,525	21,844,810

		2021	2020
27.1	Local sales	20,657,745	14,626,088
	Less: sales tax	(3,018,339)	(2,134,673)
		17,639,406	12,491,415

27.2 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 Textile		Company	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)							
Primary geographical markets								
Europe	-	-	1,917,794	1,639,883	2,027,775	3,363,884	3,945,569	5,003,767
United States of America and Canada	-	-	162,987	-	4,887,395	3,158,376	5,050,382	3,158,376
Asia, Africa, Australia	-	-	260,652	10,765	2,692,959	1,009,225	2,953,611	1,019,990
Pakistan	14,463,555	10,279,559	2,998,046	2,074,595	177,805	137,261	17,639,406	12,491,415
Export rebate and duty draw back	-	-	-	-	366,557	171,262	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	29,955,525	21,844,810
Major product / service lines								
Yarn	14,393,124	10,156,699	-	-	-	-	14,393,124	10,156,699
Greige fabric	-	-	5,339,479	3,725,243	-	-	5,339,479	3,725,243
Made-ups	-	-	-	-	9,229,624	7,285,754	9,229,624	7,285,754
Finished fabric	-	-	-	-	492,058	341,443	492,058	341,443
Processing income	-	-	-	-	21,654	11,956	21,654	11,956
Waste	70,431	122,860	-	-	42,598	29,593	113,029	152,453
Export rebate and duty draw back	-	-	-	-	366,557	171,262	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	29,955,525	21,844,810
Revenue from contracts with customers	14,463,555	10,279,559	5,339,479	3,725,243	9,785,934	7,668,746	29,588,968	21,673,548
Export rebate and duty draw back	-	-	-	-	366,557	171,262	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	29,955,525	21,844,810
Timing of revenue recognition								
Products transferred at a point in time	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	29,955,525	21,844,810
Products and services transferred over time	-	-	-	-	-	-	-	-
External revenue as reported	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	29,955,525	21,844,810

Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

27.3 The amount of Rupees 119.780 million included in contract liabilities (Note 9) at 30 June 2020 has been recognised as revenue in 2021 (2020: Rupees 84.266 million).

	Note	2021	2020
		(Rupees in thousand)	

28. COST OF SALES

	Note	2021	2020
Raw materials consumed	28.1	14,428,347	12,023,445
Salaries, wages and other benefits	28.2	2,162,983	1,919,598
Processing charges		44,409	61,487
Stores, spare parts and loose tools consumed		1,799,876	1,353,285
Packing materials consumed		817,914	576,704
Fuel and power		2,796,886	2,400,944
Repair and maintenance		153,154	172,136
Insurance		27,855	32,495
Other factory overheads		80,364	21,206
Depreciation	16.1.3	594,743	524,447
		22,906,531	19,085,747
Work-in-process			
Opening stock		1,000,429	800,016
Closing stock		(786,993)	(1,000,429)
		213,436	(200,413)
Cost of goods manufactured		23,119,967	18,885,334
Finished goods			
Opening stock		1,690,066	659,362
Closing stock		(987,136)	(1,690,066)
		702,930	(1,030,704)
Cost of sales		23,822,897	17,854,630

28.1 Raw materials consumed

	2021	2020
Opening stock	2,676,123	2,358,873
Add: Purchased during the year	13,954,857	12,340,695
	16,630,980	14,699,568
Less: Closing stock	(2,202,633)	(2,676,123)
	14,428,347	12,023,445

28.2 Salaries, wages and other benefits include provident fund contribution of Rupees 52.155 million (2020: Rupees 45.967 million) by the Company.

	Note	2021	2020
		(Rupees in thousand)	
29. DISTRIBUTION COST			
Salaries and other benefits	29.1	103,725	87,822
Outward freight and handling		69,818	30,975
Clearing and forwarding		838,319	427,315
Commission to selling agents		157,918	209,315
Travelling and conveyance		999	9,116
Insurance		13,750	5,094
Vehicles' running		3,959	3,187
Electricity, gas and water		3,090	2,458
Postage, telephone and fax		3,153	4,185
Sales promotion and advertisement		15,536	32,033
Miscellaneous		8,123	10,109
		1,218,390	821,609

29.1 Salaries and other benefits include provident fund contribution of Rupees 4.175 million (2020: Rupees 3.607 million) by the Company.

	Note	2021	2020
		(Rupees in thousand)	
30. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	30.1	371,397	326,757
Travelling and conveyance		9,399	21,141
Repair and maintenance		12,810	43,947
Rent, rates and taxes		17,369	5,738
Insurance		12,135	11,899
Vehicles' running		20,300	17,182
Printing, stationery and periodicals		8,718	7,229
Electricity, gas and water		10,302	8,563
Postage, telephone and fax		9,760	8,930
Legal and professional		33,265	24,495
Security, gardening and sanitation		39,902	40,835
Depreciation	16.1.3	45,992	40,204
Miscellaneous		51,774	45,547
		643,123	602,467

30.1 Salaries and other benefits include provident fund contribution of Rupees 9.286 million (2020: Rupees 8.322 million) by the Company.

30.2 The Company has shared expenses aggregating to Rupees 14.050 million (2020: Rupees 22.152 million) on account of combined offices with the Maple Leaf Cement Factory Limited - subsidiary company. These expenses have been recorded in respective accounts.

	Note	2021	2020
		(Rupees in thousand)	

31. OTHER EXPENSES

	Note	2021	2020
Auditor's remuneration	31.1	2,435	2,385
Donations	31.2 & 31.3	10,623	16,046
Allowance for expected credit losses	22.2	18,951	24,291
Impact of de-recognition of financial instrument carried at amortized cost		-	19
Workers' profits participation fund	9.2	163,719	92,622
Workers' welfare fund		69,340	38,330
Exchange loss - net		123,241	4,852
		388,309	178,545

31.1 Auditors' remuneration

	2021	2020
Audit fee	2,100	1,900
Reimbursable expenses	335	335
Certifications	-	150
	2,435	2,385

31.2 It represents donation amounting to Rupees 10.473 million to Gulab Devi Chest Hospital, Lahore and Rupees 0.15 million to Eduljee Dinshaw Road Project Trust (2020: Rupees 15.546 million to Gulab Devi Chest Hospital and Rupees 0.5 million to Prime Minister's Corona Relief Fund).

31.3 None of the directors and their spouses have any interest in the donee's fund.

	Note	2021	2020
		(Rupees in thousand)	

32. OTHER INCOME

	Note	2021	2020
Income from financial assets:			
Return on bank deposits		14,128	47,152
Return on term deposit receipts		6,242	6,832
Interest income on loans and advances to Maple Leaf Cement Factory Limited		-	21,297
Dividend income from Maple Leaf Cement Factory Limited		-	163,918
		20,370	239,199
Income from non-financial assets:			
Scrap sales		74,706	47,168
Gain on disposal of operating fixed assets	16.1.2	32,423	6,330
Gain on sale of stores and spares		-	814
Gain on remeasurement of investment properties	17	31,605	-
Gain on remeasurement of GIDC payable	7	19,588	-
		158,322	54,312
		178,692	293,511

	Note	2021	2020
		(Rupees in thousand)	

33. FINANCE COST

	Note	2021	2020
Mark-up / finance charges / interest on:			
Long term financing		117,362	97,358
Short term borrowings from banking companies		448,047	557,865
Short term borrowing from Maple Leaf Capital Limited		2,004	80,308
Unwinding of discount on GIDC payable	7	13,048	-
Workers' profits participation fund	9.2	10,172	14,524
		590,633	750,055
Bank charges and commission		73,156	52,814
		663,789	802,869

34. TAXATION

	Note	2021	2020
Current tax:			
- Current year		578,130	393,326
- Prior year		(57,288)	-
	14	520,842	393,326
Deferred tax	8.1	120,538	(43,168)
	34.1	641,380	350,158

34.1 Reconciliation of tax charge for the year

	2021	2020
Profit before tax	3,397,709	1,878,201
Tax on profit @ 29% (2020: 29%)	985,336	544,678
Tax effect of lower rate on income from exports	(332,560)	(205,245)
Tax effect of prior year adjustment	(57,288)	-
Tax effect of permanent differences	44,166	-
Others	1,726	10,725
	641,380	350,158

35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2021	2020
Profit attributable to ordinary shares	RUPEES IN THOUSAND	2,756,329	1,528,043
Weighted average number of ordinary shares	NUMBERS	299,296,456	299,296,456
Earnings per share	RUPEES	9.21	5.11

	Note	2021	2020
		(Rupees in thousand)	

36. CASH GENERATED FROM OPERATIONS

	Note	2021	2020
Profit before taxation		3,397,709	1,878,201
Adjustment for non-cash charges and other items:			
Depreciation		640,735	564,651
Finance cost		663,789	802,869
Gain on disposal of operating fixed assets		(32,423)	(6,330)
Return on term deposit receipts		(6,242)	(6,832)
Dividend income from Maple Leaf Cement Factory Limited - subsidiary company		-	(163,918)
Return on bank deposits		(14,128)	(47,152)
Allowance for expected credit losses		18,951	24,291
Gain on remeasurement of investment properties		(31,605)	-
Impact of de-recognition of financial instrument carried at amortized cost		-	19
Working capital changes	36.1	(181,807)	(2,417,730)
		4,454,979	628,069

36.1 Working capital changes

	2021	2020
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(105,723)	(140,313)
Stock-in-trade	1,389,856	(1,548,367)
Trade debts	(925,630)	(929,222)
Advances	(305,878)	63,946
Short term prepayments	(3,796)	13,275
Other receivables	(345,738)	(529,496)
	(296,909)	(3,070,177)
Increase in trade and other payables	115,102	652,447
	(181,807)	(2,417,730)

36.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2021 Liabilities from financing activities				
	Long term financing	Short term borrowings	Deferred government grant	Unclaimed dividend	Total
	--------------- (Rupees in thousand) ---------------				
Balance as at 01 July 2020	2,968,283	7,479,127	-	29,769	10,477,179
Proceeds from long term financing	1,611,794	-	-	-	1,611,794
Repayment of long term financing	(419,316)	-	-	-	(419,316)
Grant received during the year	-	-	107,544	-	107,544
Short term borrowings - net	-	(1,920,591)	-	-	(1,920,591)
Dividend declared	-	-	-	598,592	598,592
Amortisation of deferred government grant during the year	45,930	-	(45,930)	-	-
Dividend paid	-	-	-	(597,769)	(597,769)
Balance as at 30 June 2021	4,206,691	5,558,536	61,614	30,592	9,857,433

	2020			
	Liabilities from financing activities			
	Long term financing	Short term borrowings	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------			
Balance as at 01 July 2019	1,946,718	3,141,523	23,584	5,111,825
Proceeds from long term financing	1,414,291	-	-	1,414,291
Repayment of long term financing	(392,726)	-	-	(392,726)
Short term borrowings - net	-	4,337,604	-	4,337,604
Dividend declared	-	-	523,768	523,768
Dividend paid	-	-	(517,583)	(517,583)
Balance as at 30 June 2020	2,968,283	7,479,127	29,769	10,477,179

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	
	2021	2020	2021	2020	2021	2020
	-----------------(Rupees in Thousand)----------------					
Managerial remuneration	23,265	19,800	23,829	20,093	118,010	90,600
Allowances						
House rent	3,941	3,960	1,644	1,980	25,961	19,415
Medical	-	-	1,220	1,019	11,568	8,887
Utilities	8,326	6,393	8,302	6,844	24,839	18,974
Special allowance	6,847	5,940	8,511	6,597	32,232	24,760
Contribution to provident fund	1,938	1,649	1,985	1,674	9,763	7,468
	44,317	37,742	45,491	38,207	222,373	170,104
Number of persons	1	1	2	2	52	40

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.

Executives are provided with the Company's maintained vehicles in accordance with the Company's policy.

The aggregate amount charged in these financial statements in respect of directors' meeting fee paid to 2 (2020: 1) non-executive directors was Rupees 324,998 (2020: Rupees 111,110).

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:

	2021	2020
	(Rupees in thousand)	
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	144,968	114,281
Investment made	-	3,343,934
Sale of property, plant and equipment	3,533	-
Dividend income	-	163,918
Expenses paid by Maple Leaf Cement Factory Limited on behalf of the Company	5,265	-
Common expenses	14,050	22,152
Loan given	-	870,000
Receipts against loan	-	870,000
Mark up charged on loans	-	21,297
Maple Leaf Capital Limited		
Loan obtained	-	1,250,000
Loan repaid	445,216	804,784
Mark-up on loans	2,004	80,308
Purchase of property, plant and equipment	3,533	-
Sale of property, plant and equipment	1,594	-
Post employment benefit plan		
Contribution to provident fund	65,616	57,896

38.2 The related party status of outstanding balances as at 30 June 2021 are included in trade and other payables (note 9) and long term investments (note 18). The receivables and payables are primarily unsecured in nature.

38.3 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
		2021	2020	
Maple Leaf Capital Limited	Subsidiary	Yes	Yes	82.92%
Maple Leaf Cement Factory Limited	Subsidiary	Yes	Yes	55.22%

38.4 The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (2020: 73,390,896) and 49,639,992 [16.59%] (2020: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (2020: Rupees 128,434,068) and Rupees 99,279,984 (2020: Rupees 86,869,986) respectively was paid during the year.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2021	2020
SPINNING:		
- Rawalpindi Division	(NUMBERS)	
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 1,095 shifts (2020: 1,098 shifts)	45,337	46,185
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2020: 1,056 shifts)	41,252	36,324
	(NUMBERS)	
Rotors (average) installed / worked	2,712	2,712
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	6,037	4,514
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2020: 1,056 shifts)	5,284	3,486
- Gujar Khan Division	(NUMBERS)	
Spindles (average) installed / worked	72,864	72,864
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	41,944	41,449
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,050 shifts)	37,773	34,382
WEAVING:		
- Raiwind Division	(NUMBERS)	
Looms installed / worked	288	288
	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	104,909	104,909
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2020: 939 shifts)	98,283	85,439

PROCESSING OF CLOTH :

- Rawalpindi Division

	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	42,090	42,090
Actual production at 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	17,525	18,468

POWER PLANT:

- Rawalpindi Division

	(MEGA WATTS)	
Annual rated capacity based on 365 days (2020: 366 days)	241,706	224,186
Actual generation		
Furnace engines	31,862	35,476
Gas engines	21,257	18,355
Solar	7,129	2,995
- Raiwind Division		
Annual rated capacity based on 365 days (2020: 366 days)	96,360	96,360
Actual generation	30,221	37,340
- Gujar Khan Division		
Annual rated capacity based on 30 days (2020: Nil days)	1,584	-
Actual generation - solar	240	-

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.

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 Textile		Elimination of inter-segment transactions		Company	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)									
REVENUE:										
EXTERNAL	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	-	-	29,955,525	21,844,810
INTER-SEGMENT	806,245	1,668,855	1,531,164	1,617,139	7,764	2,656	(2,345,173)	(3,288,650)	-	-
	15,269,800	11,948,414	6,870,643	5,342,382	10,160,255	7,842,664	(2,345,173)	(3,288,650)	29,955,525	21,844,810
COST OF SALES	(11,661,101)	(10,034,763)	(6,070,009)	(4,828,446)	(8,436,960)	(6,280,071)	2,345,173	3,288,650	(23,822,897)	(17,854,630)
GROSS PROFIT	3,608,699	1,913,651	800,634	513,936	1,723,295	1,562,593	-	-	6,132,628	3,990,180
DISTRIBUTION COST	(44,737)	(38,707)	(133,372)	(77,448)	(1,040,281)	(705,454)	-	-	(1,218,390)	(821,609)
ADMINISTRATIVE EXPENSES	(267,920)	(231,156)	(148,429)	(144,785)	(226,774)	(226,526)	-	-	(643,123)	(602,467)
	(312,657)	(269,863)	(281,801)	(222,233)	(1,267,055)	(931,980)	-	-	(1,861,513)	(1,424,076)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,296,042	1,643,788	518,833	291,703	456,240	630,613	-	-	4,271,115	2,566,104
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(388,309)	(178,545)
OTHER INCOME									178,692	293,511
FINANCE COST									(663,789)	(802,869)
TAXATION									(641,380)	(350,158)
									(1,514,786)	(1,038,061)
PROFIT AFTER TAXATION									2,756,329	1,528,043

40.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)							
TOTAL ASSETS FOR REPORTABLE SEGMENT	6,987,209	6,997,298	3,619,156	3,176,202	5,555,619	4,967,109	16,161,984	15,140,609
UNALLOCATED ASSETS							17,972,271	17,563,157
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION							34,134,255	32,703,766

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

	Spinning		Weaving		Processing and Home Textile		Company	
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	3,581,834	2,206,675	781,283	2,302,479	6,089,278	6,901,316	10,452,395	11,410,470
UNALLOCATED LIABILITIES							3,524,303	3,322,206
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION							13,976,698	14,732,676

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 27.2 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 1,462 million (2020: Rupees 1,109 million) whereas in the Processing and Home Textile segment was Rupees 4,301 million (2020: Rupees 2,696 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

	2021	2020
Number of employees as at 30 June	5,475	5,392
Average number of employees during the year	5,463	5,267

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) and Euro. 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:

	2021	2020
Cash at banks - USD	64,311	60,606
Trade debts - USD	9,314,959	3,998,000
Trade debts - EURO	421,175	-
Net exposure - USD	9,379,270	4,058,606
Net exposure - EURO	421,175	-
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	160.22	157.03
Reporting date rate	157.80	168.75
Rupees per Euro		
Average rate	188.53	-
Reporting date rate	188.12	-

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 69.567 million and Rupees 3.724 million (2020: Rupees 32.195 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. As at 30 June 2021 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. 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:

	2021	2020
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	133,866	82,797
Financial liabilities		
Long term financing	4,077,091	2,625,378
Short term borrowings	4,519,777	3,538,802
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	143,957	72,539
Financial liabilities		
Long term financing	129,600	342,905
Short term borrowings	1,036,257	3,908,302

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 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 5.861 million (2020: Rupees 31.195 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:

	2021	2020
	(Rupees in thousand)	
Trade debts	3,266,729	2,360,050
Investments	133,866	82,797
Deposits	52,961	52,958
Advances	1,912	3,770
Other receivables	8,828	42,778
Bank balances	247,032	183,166
	3,711,328	2,725,519

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			2021	2020
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	15,198	14,820
Allied Bank Limited	A1+	AAA	PACRA	4,724	675
Askari Bank Limited	A1+	AA+	PACRA	6,862	5,251
Bank Alfalah Limited	A1+	AA+	PACRA	13,501	8,592
Bank Al-Habib Limited	A1+	AA+	PACRA	26,753	21,962
Bank Islami Pakistan Limited	A1	A+	PACRA	31	30
Faysal Bank Limited	A1+	AA	PACRA	751	259
Habib Bank Limited	A-1+	AAA	JCR-VIS	9,028	11,275
MCB Bank Limited	A1+	AAA	PACRA	73,103	66,262
Meezan Bank Limited	A-1+	AA+	JCR-VIS	41,505	11,313
National Bank of Pakistan	A1+	AAA	PACRA	7,759	10,391
MCB Islamic Bank Limited	A1	A	PACRA	27,854	25,595
Silkbank Limited	A-2	A-	JCR-VIS	48	-
The Bank of Punjab	A1+	AA+	PACRA	9,309	2,031
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,097	2,196
Samba Bank Limited	A-1	AA	JCR-VIS	19	-
United Bank Limited	A-1+	AAA	JCR-VIS	8,490	2,514
				247,032	183,166
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	133,866	82,797

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 receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained 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 2021 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 2021 and 30 June 2020 was determined as follows:

At 30 June 2021

	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%	23,322	-	0.00%	-	-
Up to 30 days	9.19%	246,596	22,660	0.00%	-	-
31 to 60 days	12.25%	63,132	7,736	0.00%	-	-
61 to 90 days	24.34%	32,333	7,870	0.00%	-	-
91 to 180 days	37.98%	78,035	29,640	0.00%	-	-
181 to 360 days	54.73%	1,091	597	0.00%	-	-
Above 360 days	100.00%	4,385	4,385	0.00%	-	-
		448,894	72,888		-	-
Trade debts which are not subject to risk of default		1,406,804	-		1,483,919	-
		1,855,698	72,888		1,483,919	-

At 30 June 2020

	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%	5,816	-	0.00%	-	-
Up to 30 days	9.58%	121,189	11,604	0.00%	-	-
31 to 60 days	18.21%	60,596	11,032	0.00%	-	-
61 to 90 days	31.87%	27,529	8,774	0.00%	-	-
91 to 180 days	42.76%	30,821	13,178	0.00%	-	-
181 to 360 days	76.24%	5,285	4,030	0.00%	-	-
Above 360 days	100.00%	5,319	5,319	0.00%	-	-
		256,555	53,937		-	-
Trade debts which are not subject to risk of default		1,369,366	-		788,066	-
		1,625,921	53,937		788,066	-

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.

(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 2021, the Company had Rupees 9,091 million (2020: Rupees 6,912 million) available borrowing limits from financial institutions and Rupees 249.886 million (2020: Rupees 186.613 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 2021.

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	------------------- (Rupees in thousand) --------------------					
Non-derivative financial liabilities:						
Long term financing	4,206,691	4,618,407	590,942	556,801	870,407	2,600,257
Trade and other payables	1,684,449	1,684,449	1,684,449	-	-	-
Accrued mark-up	65,021	65,021	65,021	-	-	-
Short term borrowings	5,558,536	5,611,468	5,611,468	-	-	-
Unclaimed dividend	30,592	30,592	30,592	-	-	-
	11,545,289	12,009,937	7,982,472	556,801	870,407	2,600,257

Contractual maturities of financial liabilities as at 30 June 2020

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	------------------- (Rupees in thousand) --------------------					
Non-derivative financial liabilities:						
Long term financing	2,968,283	3,235,415	42,652	142,875	731,403	2,318,485
Trade and other payables	1,671,625	1,671,625	1,671,625	-	-	-
Accrued mark-up	196,614	196,614	196,614	-	-	-
Short term borrowings	7,479,127	7,664,417	7,432,566	231,851	-	-
Unclaimed dividend	29,769	29,769	29,769	-	-	-
	12,345,418	12,797,840	9,373,226	374,726	731,403	2,318,485

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 2021. The rates of interest / mark up have been disclosed in note 5.1 and note 11 to these financial statements.

43.2 Financial instruments by categories

	Financial assets at amortized cost	
	2021	2020
	(Rupees in thousand)	
Trade debts	3,266,729	2,360,050
Investments	133,866	82,797
Deposits	52,961	52,958
Advances	1,912	3,770
Other receivables	8,828	42,778
Cash and bank balances	249,886	186,613
	3,714,182	2,728,966

	Financial liabilities at amortized cost	
	2021	2020
	(Rupees in thousand)	
Long term financing	4,206,691	2,968,283
Trade and other payables	1,684,449	1,671,625
Accrued mark-up	65,021	196,614
Short term borrowings	5,558,536	7,479,127
Unclaimed dividend	30,592	29,769
	11,545,289	12,345,418

43.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2021			2020		
	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	3,266,729	-	3,266,729	2,360,050	-	2,360,050
Investments	133,866	-	133,866	82,797	-	82,797
Deposits	52,961	-	52,961	52,958	-	52,958
Advances	1,912	610,291	612,203	3,770	302,555	306,325
Other receivables	8,828	1,401,478	1,410,306	42,778	1,022,006	1,064,784
Cash and bank balances	249,886	-	249,886	186,613	-	186,613
	3,714,182	2,011,769	5,725,951	2,728,966	1,324,561	4,053,527

	2021			2020		
	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 -----		
Liabilities as per statement of financial position						
Long term financing	4,206,691	-	4,206,691	2,968,283	-	2,968,283
Trade and other payables	1,684,449	973,006	2,657,455	1,671,625	864,188	2,535,813
Accrued mark-up	65,021	-	65,021	196,614	-	196,614
Short term borrowings	5,558,536	-	5,558,536	7,479,127	-	7,479,127
Unclaimed dividend	30,592	-	30,592	29,769	-	29,769
	11,545,289	973,006	12,518,295	12,345,418	864,188	13,209,606

43.4 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.

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 represent long term financing and short term borrowings obtained by the Company as referred to in note 5 and note 11 respectively. 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.

	2021	2020
	(Rupees in thousand)	
Borrowings	9,765,227	10,447,410
Total equity	20,157,557	17,971,090
Total capital employed	29,922,784	28,418,500
Gearing ratio	32.63%	36.76%

The decrease in the gearing ratio resulted primarily from decrease in borrowings of the Company.

44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

At 30 June 2021	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	-	2,768,287
Total non-financial assets	-	4,592,647	-	4,592,647

At 30 June 2020	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	-	2,739,557
Total non-financial assets	-	4,532,312	-	4,532,312

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 investment properties and freehold land (classified as property, plant and equipment) at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties and freehold land at the end of every financial year. As at 30 June 2021, the fair values of the investment properties and freehold land have been determined by Anderson Consulting (Private) Limited (an approved valuer).

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

46. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2021	2020
		(Rupees in thousand)	
Loans / advances obtained as per Islamic mode:			
Contract liabilities	9	151,146	148,422
Shariah compliant bank deposits / bank balances:			
Bank balances	26	84,588	51,758
Profit earned from shariah compliant bank deposits / bank balances	32	3,847	7,580
Revenue earned from shariah compliant business	27	29,955,525	21,844,810
Gain / (loss) or dividend earned from shariah compliant investments:			
Dividend income	32	-	163,918
Profits earned or interest paid on any conventional loan / advance:			
Interest income on loans and advances to Maple Leaf Cement Factory Limited		-	21,297
Profit earned on deposits with banks	32	10,281	39,572
Interest paid on loans	33	565,409	655,223
Short term borrowing from Maple Leaf Capital Limited	33	2,004	80,308

Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ______________________ by the Board of Directors of the Company.

48. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in their meeting held on 13 August 2021 has proposed a final cash dividend of Rupees 1 per share (10%) amounting to Rupees 299.296 million (2020: Rupees 299.296 million) for the year ended 30 June 2021 for approval of the members at the Annual General Meeting to be held on 28 September 2021. The financial statements for the year ended 30 June 2021 do not include the effect of the proposed final cash dividend which will be accounted for in the period ending 30 June 2022.

49. CORRESPONDING FIGURES

No significant rearrangements / reclassifications have been made except for Gas Infrastructure Development Cess (GIDC) payable amounting to Rupees 250.011 million which has been reclassified from creditors to current portion of non-current liabilities for the purpose of better presentation.

50. GENERAL

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

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	30.06.2021

2.2

No. of Shareholders	Shareholdings From		Shareholdings To	Total Shares Held
2,575	1	-	100	68,136
961	101	-	500	276,990
378	501	-	1,000	274,518
521	1,001	-	5,000	1,351,363
132	5,001	-	10,000	943,472
63	10,001	-	15,000	805,051
30	15,001	-	20,000	539,431
28	20,001	-	25,000	653,942
15	25,001	-	30,000	412,968
15	30,001	-	35,000	485,650
12	35,001	-	40,000	457,209
11	40,001	-	45,000	468,382
13	45,001	-	50,000	634,214
5	50,001	-	55,000	258,492
4	55,001	-	60,000	237,125
6	60,001	-	65,000	375,168
4	65,001	-	70,000	273,982
3	70,001	-	75,000	214,723
4	75,001	-	80,000	306,501
4	80,001	-	85,000	331,965
4	85,001	-	90,000	357,300
5	90,001	-	95,000	463,870
3	95,001	-	100,000	298,227
1	100,001	-	105,000	101,586
1	105,001	-	110,000	110,000
1	115,001	-	120,000	119,000
1	125,001	-	130,000	125,635
2	130,001	-	135,000	267,000
3	135,001	-	140,000	413,342
1	140,001	-	145,000	140,500
1	145,001	-	150,000	150,000
1	150,001	-	155,000	153,800
2	160,001	-	165,000	324,620
2	165,001	-	170,000	339,850
2	170,001	-	175,000	350,000
1	185,001	-	190,000	188,231
1	190,001	-	195,000	195,000
1	195,001	-	200,000	200,000
2	205,001	-	210,000	417,500
2	220,001	-	225,000	448,500
1	230,001	-	235,000	234,000
4	245,001	-	250,000	995,911
1	250,001	-	255,000	251,474
2	270,001	-	275,000	545,650

2.2

No. of Shareholders	Shareholdings From		To	Total Shares Held
2	275,001	-	280,000	553,946
1	295,001	-	300,000	300,000
1	315,001	-	320,000	316,743
1	335,001	-	340,000	337,673
1	385,001	-	390,000	385,016
1	440,001	-	445,000	442,500
1	445,001	-	450,000	447,000
1	450,001	-	455,000	450,300
2	455,001	-	460,000	917,464
1	495,001	-	500,000	496,500
1	595,001	-	600,000	599,163
1	615,001	-	620,000	617,000
1	765,001	-	770,000	766,749
3	795,001	-	800,000	2,394,878
1	820,001	-	825,000	824,760
1	995,001	-	1,000,000	996,000
1	1,010,001	-	1,015,000	1,010,500
1	1,020,001	-	1,025,000	1,020,500
1	1,085,001	-	1,090,000	1,089,500
2	1,090,001	-	1,095,000	2,184,665
1	1,305,001	-	1,310,000	1,306,000
1	1,375,001	-	1,380,000	1,375,718
1	1,430,001	-	1,435,000	1,430,259
1	1,570,001	-	1,575,000	1,572,125
1	1,575,001	-	1,580,000	1,575,710
1	1,605,001	-	1,610,000	1,608,040
1	3,005,001	-	3,010,000	3,009,001
1	3,500,001	-	3,505,000	3,503,121
1	4,695,001	-	4,700,000	4,698,621
1	5,745,001	-	5,750,000	5,748,497
1	6,750,001	-	6,755,000	6,751,669
1	11,220,001	-	11,225,000	11,222,490
1	12,645,001	-	12,650,000	12,648,322
1	13,300,001	-	13,305,000	13,302,658
1	30,375,001	-	30,380,000	30,377,143
1	43,425,001	-	43,430,000	43,425,059
1	49,635,001	-	49,640,000	49,639,992
1	73,390,001	-	73,395,000	73,390,896
4,872				299,296,456

Note : The Slabs not applicable above have not been shown.

2.3	Categories of Shareholders	Shares Held	Percentage of Capital
2.3.1	Directors, Chief Executive Officer and their spouses and minor children.		
	Mr. Tariq Sayeed Saigol, Chairman	12,648,322	4.226
	Mr. Taufique Sayeed Saigol, Chief Executive Officer	43,425,059	14.509
	Mr. Sayeed Tariq Saigol	385,016	0.129
	Mr. Waleed Tariq Saigol	33,471	0.011
	Mr. Danial Taufique Saigol	3,046	0.001
	Ms. Jahanara Saigol	2,500	0.001
	Mr. Shafiq Ahmed Khan	3,046	0.001
	Mr. Zulifikar Monnoo	3,000	0.001
	Mrs. Shehla Tariq Saigol, Spouse of Mr. Tariq Sayeed Saigol	30,377,143	10.150
		86,880,603	29.029
2.3.2	Associated Companies, undertakings and related parties.		
	Mercury Management Inc.	73,390,896	24.521
	Hutton Properties Limited	49,639,992	16.586
		123,030,888	41.107
2.3.3	NIT and ICP		
	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.	3,628,942	1.212
2.3.5	Insurance Companies	263,090	0.088
2.3.6	Modarabas and Mutual Funds	37,802,613	12.630
2.3.7	Shareholders holding 10% refer to 2.3.1 & 2.3.2		
2.3.8	General Public		
	a) Local	43,196,779	14.433
	b) Foreign	1,021,978	0.341
2.3.9	Others		
	AGP Limited Staff Provident Fund	26,500	
	Agriauto Industries Limited Employees Provident Fund	9,000	
	Artal Restaurant Int Ltd Emp P.F	2,073	
	BPS Group Companies Employees Provident Fund	50,000	
	Bristol-Myers Squibb Pak (Pvt) Ltd Emp Prov Fund	5,000	
	BVA (Private) Limited Employees Provident Fund	5,000	
	Byco Petroleum Pakistan Limited Employees Provident Fund	16,500	
	CDC - Trustee AGIPF Equity Sub-Fund	18,000	
	CDC - Trustee AGPF Equity Sub-Fund	13,000	
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	457,500	
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	223,500	
	CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	135,800	
	CDC-Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	90,470	
	Chevron Pakistan Lubricants (Pvt.) Ltd. EPF	6,500	
	Engro Fertilizers Limited Non-MPT Employees Gratuity Fund	18,000	
	Essity Pakistan Limited Employees Gratuity Fund	2,500	
	Essity Pakistan Limited Employees Provident Fund	6,500	
	Federal Board of Revenue	161,269	

2.3	Categories of Shareholders	Shares Held	Percentage of Capital

2.3.9 Others

Fikree Development Corp. (Pvt.) Limited	50	
Gatron (Industries) Limited Staff Provident Fund	6,000	
Hussain Trustees Limited.	297	
I2C Pakistan (Private) Limited Employees Provident Fund Trust	3,500	
Nestle Pakistan Limited Employees Pension Fund	25,000	
Nestle Pakistan Ltd, Employees Gratuity Fund	18,400	
Novo Nordisk Pharma (Pvt.) Ltd. Staff Prov. Fund	5,000	
Official Assignee of Karachi	1,297	
Pakistan Petroleum Executive Staff Pension Fund (DC Shariah)	175,000	
Pakistan Stock Exchange Limited	70,178	
Pakistan Telecommunication Employees Trust	77,000	
Thal Limited Employees Provident Fund	46,000	
Thal Limited Employees Retirement Benefit Fund	2,000	
The Crescent Textile Mills Ltd Employees Provident Fund	5,500	
The Deputy Administrator. Abandoned Properties	193	
The Ida Rieu Poor Welfare Association	404	
The Okhai Memon Madressah Association	1	
Trustee National Bank of Pakistan Employees Pension Fund	337,673	
Trustee of Hommie and Jamshed Nusserwanjee Charitable Trust	3,000	
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	42,000	
Trustee Pakistan Petroleum Executive Staff Pension Fund	496,500	
Trustee Pakistan Petroleum Junior Provident Fund	92,000	
Trustee Pakistan Petroleum Non Executive Staff Gratuity Fund	83,000	
Trustee Pakistan Petroleum Non Executive Staff Pension Fund	207,500	
Trustee Pakistan Petroleum Senior Provident Fund	195,000	
Trustee-ANPL Man Staff Defined Contribution Superannuation FD	12,500	
Trustee-ANPL Management Staff Gratuity Fund	13,000	
Trustee-ANPL Management Staff Pension Fund	12,500	
Trustee-ANPL Management Staff Provident Fund	14,500	
Trustees Moosa Lawai Foundation	4,285	
Trustees of Cresent Steel & Allied Products Ltd-Pension Fund	1,315	
Trustees of Karachi Sheraton Hotel Employees Provident Fund	210	
Trustees of Philip Morris (Pakistan) Limited E.C.P.F Trust	47,000	
Trustees of Philip Morris (Pakistan) Limited Empl G.F Trust	25,000	
Trustees Pakistan Petroleum Executive Staff Gratuity Fund	61,000	
Trustees UBL Fund Managers Ltd. Employees Gratuity Fund	6,000	
Trustee-The Crescent Textile Mills Ltd Empl. Provident Fund	3,307	
Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	36,500	
Trustee-The Kot Addu Power Co. Ltd. Employees Provident Fund	9,500	
United Executers & Trustee Company Limited	164	
University of Sindh	680	
Wellcome Pakistan Limited Provident Fund	60,000	
	3,447,066	1.151
Grand Total :	299,296,456	100.000

SKILL & ENTHUSIASTIC SERVICE

08

Consolidated Financial Statements

for the Year Ended June 30, 2021

DIRECTOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the audited consolidated financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (56.12%), Maple Leaf Power Limited (56.12%) and Maple Leaf Capital Limited (82.92%) (Together referred to as Group) for the year ended 30 June 2021.

GROUP RESULTS

The Group has earned gross profit of Rupees 15,453 million as compared to Rupees 4,871million of corresponding year. The Group has earned / incurred pre-tax profit of Rupees 13,694 million this year as compared to pre-tax loss of Rupees 2,592 million during the previous year. The overall Group financial results are as follows:

	2021	2020
	(Rupees in million)	
Revenue	65,451	50,848
Gross profit	15,453	4,871
Profit from operations	15,757	1,006
Financial charges	2,062	3,598
Net profit / (loss) after taxation	11,054	(2,595)
	---------- (Rupees) ----------	
Earnings / (loss) per share - Basic and diluted	28.26	(3.32)

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 22.40% in its sales over previous year and has earned / incurred gross profit / (loss) of 21.06% (30 June 2020: (2.40%)) amounting to Rupees 7,505 million (30 June 2020: (699) million).

It has earned / incurred after tax profit / (loss) of Rupees 6,254 million (30 June 2020: Rupees (4,843) million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 1,153 million (30 June 2020: Rupees 1,292 million).

Maple Leaf Capital Limited (MLCL)

MLCL has earned / incurred after tax profit / (loss) of Rupees 4,119 million (30 June 2020: Rupees (614) million).

In compliance with the Companies Act, 2017 all relevant matters of Section 227 have been placed in our Standalone Director's 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	Taufique Sayeed Saigol	Syed Mohsin Raza Naqvi
13 August 2021	Chief Executive Officer	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 2021, 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 2021, 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	**Inventory existence and valuation:** Inventory of the textile business of the Group as at 30 June 2021 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: - Summary of significant accounting policies, Inventories note 2.19 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; • 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	Capital expenditures The textile business of the Group is investing significant amounts in its operations and there are a number of areas where man¬agement judgment impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful lives of the assets including the impact of changes in the Group's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the consolidated financial position for the Group. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Summary of significant accounting policies, Property, plant, equipment and depreciation note 2.8 to the consolidated financial statements. - Property, plant and equipment note 19 to the consolidated financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature; • We evaluated the appropriateness of capitalization policies and depreciation rates; • We performed tests of details on costs capitalized; • We verified the accuracy of management's calculation used for the impairment testing.
3	Revenue recognition The Group recognized net revenue of Rupees 65,450.738 million for the year ended 30 June 2021. We identified recognition of revenue 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: - Summary of significant accounting policies, Revenue from contracts with customers note 2.26 to the consolidated financial statements. - Revenue note 34 to the consolidated financial statements.	Our procedures included, but were not limited to: • We obtained 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; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared 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; • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; • We compared the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; • We also considered the appropriateness of disclosures in the consolidated financial statements.

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How the matters were addressed in our audit</th></tr>
<tr><td>4</td><td>Valuation of trade debts

Trade debts of cement business of the Group as at 30 June 2021 represented a material position in the consolidated statement of financial position.

The Group has applied simplified approach to determine expected credit losses (ECL) over debtors.

We have identified valuation of trade debts as key audit matter because determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.

For further information refer to the following:

- Summary of significant accounting policies, note 2.14 and 2.20 to the consolidated financial statements.

- Trade debts note 27 to the consolidated financial statements</td><td>Our audit procedures included but were not limited to the following:

• We reviewed and evaluated the appropriateness of the assumptions used (historical and forward looking) and judgments made by the management to assess ECL in respect of trade debts;
• We assessed on a sample basis, the accuracy of data used by the management for determining ECL in respect of trade debts;
• We checked mathematical accuracy of ECL model by performing recalculations;
• We reviewed appropriateness of the accounting policies and the adequacy of disclosures in the consolidated financial statements in accordance with requirements of the applicable accounting and reporting standards.</td></tr>
<tr><td>5</td><td>Investments in quoted securities

Quoted investments of the investment business of the Group as at 30 June 2021 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 recognised in the statement of profit or loss.

For further information, refer to the following:

- Summary of significant accounting policies, note 2.12 to the consolidated financial statements.

- Short term investments note 32 to the consolidated financial statements.</td><td>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.

• Assuring the completeness and accuracy of gains / (losses) recognized in the statement of profit or loss of quoted investments.</td></tr>
</table>

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 Raheel Arshad.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad

DATE: 13 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021	2020
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
370,000,000 (2020: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2020: 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	3	2,992,964	2,992,964
Reserves	4		
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		4,070,446	4,041,716
		5,056,523	5,027,793
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		26,092,086	18,368,673
		27,542,577	19,819,164
		32,599,100	24,846,957
Equity attributable to equity holders of the Holding Company		35,592,064	27,839,921
Non-controlling interest	5	17,048,451	14,756,901
Total equity		52,640,515	42,596,822
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	14,810,723	15,067,045
Deferred government grants	7	73,856	-
Gas Infrastructure Development Cess (GIDC) payable	8	57,184	-
Long term deposits	9	8,214	8,664
Retirement benefits	10	228,266	214,952
Retention money payable	11	391,694	366,069
Deferred income tax liability	12	3,949,204	2,529,503
		19,519,141	18,186,233
CURRENT LIABILITIES			
Trade and other payables	13	10,246,551	10,241,661
Accrued mark-up	14	338,631	683,317
Short term borrowings	15	9,080,276	14,215,726
Current portion of non-current liabilities	16	3,335,310	881,629
Unclaimed dividend	17	58,726	77,822
		23,059,494	26,100,155
TOTAL LIABILITIES		42,578,635	44,286,388
CONTINGENCIES AND COMMITMENTS	18		
TOTAL EQUITY AND LIABILITIES		95,219,150	86,883,210

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

CHIEF EXECUTIVE OFFICER　　DIRECTOR　　CHIEF FINANCIAL OFFICER

	Note	2021	2020
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	19	56,012,067	54,678,017
Investment properties	20	1,824,360	1,792,755
Intangibles	21	6,018	9,024
Long term loans to employees	22	17,004	19,196
Long term investments	23	157,410	42,000
Long term deposits	24	110,263	109,378
		58,127,122	56,650,370
CURRENT ASSETS			
Stores, spare parts and loose tools	25	10,859,200	9,568,983
Stock-in-trade	26	6,058,721	7,142,118
Trade debts	27	4,947,118	5,413,514
Loans and advances	28	1,104,374	798,948
Security deposits and short term prepayments	29	257,235	204,498
Other receivables	30	1,592,142	792,085
Taxation - net	31	1,364,178	1,012,570
Short term investments	32	10,065,021	3,904,641
Cash and bank balances	33	844,039	1,395,483
		37,092,028	30,232,840
TOTAL ASSETS		95,219,150	86,883,210

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

	Note	2021	2020
		(Rupees in thousand)	
REVENUE	34	65,450,738	50,848,263
COST OF SALES	35	(49,997,540)	(45,977,075)
GROSS PROFIT		15,453,198	4,871,188
DISTRIBUTION COST	36	(2,334,122)	(1,638,667)
ADMINISTRATIVE EXPENSES	37	(1,598,165)	(1,519,974)
OTHER EXPENSES	38	(941,730)	(1,638,177)
		(4,874,017)	(4,796,818)
		10,579,181	74,370
OTHER INCOME	39	5,177,788	931,834
PROFIT FROM OPERATIONS		15,756,969	1,006,204
FINANCE COST	40	(2,062,473)	(3,598,327)
PROFIT / (LOSS) BEFORE TAXATION		13,694,496	(2,592,123)
TAXATION	41	(2,640,861)	(3,316)
PROFIT / (LOSS) AFTER TAXATION		11,053,635	(2,595,439)
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		8,459,564	(992,306)
NON-CONTROLLING INTEREST		2,594,071	(1,603,133)
		11,053,635	(2,595,439)

	Note	2021	2020
		--------------Rupees--------------	
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	42	28.26	(3.32)

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 2021

	2021	2020
	(Rupees in thousand)	
PROFIT / (LOSS) AFTER TAXATION	11,053,635	(2,595,439)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit liability	(27,456)	8,870
Related deferred income tax	7,832	(2,505)
	(19,624)	6,365
Surplus on revaluation of freehold land	28,730	9,053
	9,106	15,418
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	9,106	15,418
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	11,062,741	(2,580,021)
SHARE OF TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	8,477,281	(983,792)
NON-CONTROLLING INTEREST	2,585,460	(1,596,229)
	11,062,741	(2,580,021)

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 2021

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										
		Reserves									
		Capital reserves			Revenue reserves						
	Share capital	Share premium	Surplus on revaluation of freehold land and investment properties	Sub - total	General reserves	Unappropriated profit	Sub-total	Total reserves	Total	Non-controlling interest	Total equity
	(Rupees in thousand)										
Balance as at 01 July 2019	2,992,964	986,077	4,036,717	5,022,794	1,450,491	19,940,200	21,390,691	26,413,485	29,406,449	13,801,463	43,207,912
Transactions with owners:											
- Issuance of right shares to Non-controlling interest holders - net of issue cost	-	-	-	-	-	(58,968)	(58,968)	(58,968)	(58,968)	2,684,596	2,625,628
- Final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)	-	(224,472)
- Interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Dividend paid to non-controlling interest holders	-	-	-	-	-	-	-	-	-	(132,929)	(132,929)
	-	-	-	-	-	(582,736)	(582,736)	(582,736)	(582,736)	2,551,667	1,968,931
Loss for the year	-	-	-	-	-	(992,306)	(992,306)	(992,306)	(992,306)	(1,603,133)	(2,595,439)
Other comprehensive income for the year	-	-	4,999	4,999	-	3,515	3,515	8,514	8,514	6,904	15,418
Total comprehensive loss for the year	-	-	4,999	4,999	-	(988,791)	(988,791)	(983,792)	(983,792)	(1,596,229)	(2,580,021)
Balance as at 30 June 2020	2,992,964	986,077	4,041,716	5,027,793	1,450,491	18,368,673	19,819,164	24,846,957	27,839,921	14,756,901	42,596,822
Transactions with owners:											
- Transaction with non-controlling interests	-	-	-	-	-	(126,546)	(126,546)	(126,546)	(126,546)	(293,910)	(420,456)
- Final dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
	-	-	-	-	-	(725,138)	(725,138)	(725,138)	(725,138)	(293,910)	(1,019,048)
Profit for the year	-	-	-	-	-	8,459,564	8,459,564	8,459,564	8,459,564	2,594,071	11,053,635
Other comprehensive income for the year	-	-	28,730	28,730	-	(11,013)	(11,013)	17,717	17,717	(8,611)	9,106
Total comprehensive income for the year	-	-	28,730	28,730	-	8,448,551	8,448,551	8,477,281	8,477,281	2,585,460	11,062,741
Balance as at 30 June 2021	2,992,964	986,077	4,070,446	5,056,523	1,450,491	26,092,086	27,542,577	32,599,100	35,592,064	17,048,451	52,640,515

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 2021

	Note	2021	2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	12,309,290	2,593,707
Finance cost paid		(2,407,159)	(3,569,236)
Employee benefits paid		(56,198)	(35,724)
Income tax paid		(1,931,266)	(1,053,167)
Gas Infrastructure Development Cess (GIDC) paid		(64,864)	-
Net decrease in long term loans to employees		2,192	628
Net (increase) / decrease in long term deposits		(1,335)	91
Net cash generated from / (used in) operating activities		7,850,660	(2,063,701)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,924,252)	(2,295,314)
Long term investments made		(115,410)	(42,000)
Proceeds from disposal of long term investments		-	24,800
Proceeds from sale of property, plant and equipment		159,959	100,632
Increase in retention money payable		25,625	(2,430)
Interest received		40,000	114,467
Dividend received		175,677	155,045
Net cash used in investing activities		(4,638,401)	(1,944,800)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of right shares to non-controlling interest holders - net of issue cost		-	2,625,628
Transaction with non-controlling interests		(420,456)	-
Proceeds from long term financing		2,579,571	1,414,291
Repayment of long term financing		(419,316)	(5,367,030)
Grant received during the year		249,636	-
Short term borrowings - net		(5,135,450)	6,381,167
Dividend paid		(617,688)	(643,023)
Net cash (used in) / from financing activities		(3,763,703)	4,411,033
Net (decrease) / increase in cash and cash equivalents		(551,444)	402,532
Cash and cash equivalents at the beginning of the year		1,395,483	992,951
Cash and cash equivalents at the end of the year		844,039	1,395,483

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

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 subsidiary of MLCFL, which is subsidiary of the Holding company. MLPL has been established to set up and operate a 40-megawatt coal fired power generation plant at Iskanderabad, District Mianwali for generation of electricity. The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal object of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to MLCFL.

MLPL was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. On 04 July 2017, MLPL has entered into Power Purchase agreement (PPA) with MLCFL which is valid for 20 years.

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
	Head office	42-Lawrence Road, Lahore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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; 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:

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

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. The Group has elected to measure loss allowance for trade debts using IFRS 9

'Financial Instruments' simplified approach 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 and 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 recognised provision is recognized in the consolidated statement of profit or loss unless the provision was originally recognised 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 and investment properties (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 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised 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 2020 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 2021 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 2023. 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'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in consolidated profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their consolidated financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their consolidated financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

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 2021 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 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 own by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. Since the Subsidiary Company is 100% owned by the Holding Company, no non-controlling interest is presented as separate item in the consolidated financial statements.

On the loss of control, the Group derecognize 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 profit or loss account. In addition, any amount previously recognized in other comprehensive income in respect of that subsidiary are reclassified to the consolidated profit or loss account. 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 Employee benefits

i) Defined contribution plan

The Group operates an approved funded provident fund scheme covering all 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

Subsidiary company MLCFL operate 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 comprise 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 Group service. The Group 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 2021. 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.

2.4 Taxation

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. 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

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.

2.5 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.

2.6 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.

2.7 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.

2.8 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 19.1. 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.

2.9 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.

2.10 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.

2.11 IFRS 16 “Leases”

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, which comprises 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 income 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 statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.12 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

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.

2.13 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.

2.14 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 FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when oneor 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.

2.15 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.

2.16 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.

2.17 Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these consolidated financial statements as there is no hedge activity carried on by the Group during the year ended 30 June 2021.

2.18 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.

2.19 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.

2.20 Trade and other receivables

Trade debts are initially recognised 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.

2.21 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.

2.22 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.

2.23 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.24 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.

2.25 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.

2.26 Revenue from contracts with customers

i) 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

a) 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.

b) 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

a) 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.

b) 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.

ii) 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.

iii) 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.

iv) 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.

v) 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.

vi) 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.

vii) 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.

2.27 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated 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 consolidated statement of profit or loss.

2.28 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.

2.29 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in consolidated 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.

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 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. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
(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
169,182,327	169,182,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,691,823	1,691,823
299,296,456	299,296,456		2,992,964	2,992,964

4. RESERVES

	Note	2021	2020
		(Rupees in thousand)	
Composition of reserves is as follows:			
Capital reserves			
Share premium	4.1	986,077	986,077
Surplus on revaluation of freehold land and investment properties			
Freehold land			
As at 01 July		2,778,124	2,773,125
Increase due to revaluation to fair value	19.1	28,730	4,999
As at 30 June		2,806,854	2,778,124
Investment properties		1,263,592	1,263,592
		4,070,446	4,041,716
		5,056,523	5,027,793
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		26,092,086	18,368,673
		27,542,577	19,819,164
		32,599,100	24,846,957

4.1 This reserve can be utilized by the Group only for the purposes specified in section 81 of the Companies Act, 2017.

	Note	2021	2020
		(Rupees in thousand)	
5. NON-CONTROLLING INTEREST			
Opening balance		14,756,901	13,801,463
Add / (less): Share during the year:			
Issuance of right shares - net of issue cost		-	2,684,596
Transaction with non-controlling interests		(293,910)	-
Profit / (loss) for the year		2,594,071	(1,603,133)
Other comprehensive (loss) / income for the year		(8,611)	6,904
		2,291,550	1,088,367
Less : Dividend paid		-	(132,929)
		17,048,451	14,756,901
6. LONG TERM FINANCING			
From banking companies and other financial institution - secured			
Holding Company	6.1	4,206,691	2,968,283
Subsidiary Company - MLCFL	6.2	13,341,361	12,298,102
Subsidiary Company - MLPL - Long term portion of finance against trust receipts	15	-	32,956
		17,548,052	15,299,341
Less: Current portion shown under current liabilities	16	(2,737,329)	(232,296)
		14,810,723	15,067,045

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
6.1 Holding Company							
The Bank of Punjab	128,087	129,004	600,000	SBP LTFF rate + 2.50%	Sixteen equal quarterly installments commenced from 09 September 2016 and ending on 07 November 2021.	Quarterly	Joint pari passu charge amounting to Rupees 2,000 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	384,684	387,775	400,000	SBP LTFF rate + 1%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	
	465,504	461,143	500,000	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	978,275	977,922	1,500,000				
The Bank of Punjab	129,600	-	400,000	3 Month Kibor + 1%	Twenty four equal quarterly installments after grace period for every tranche from its date of disbursement.	Quarterly	Ranking charge amounting to Rupees 533 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
MCB Bank Limited	26,032	78,804	317,679	SBP LTFF rate + 2.5%	Twenty eight equal quarterly installments commenced from 25 November 2015 and ending on 10 December 2021.	Quarterly	First pari passu charge over land and building of Raiwind Division amounting to Rupees 467 million, and plant and machinery of the Company and personal guarantees of the sponsor directors.
MCB Bank Limited (Note 6.3)	418,522	-	500,000	SBP TERF rate + 1%	Twenty four equal quarterly installments commencing from 25 May 2023 and ending on 04 June 2031.	Quarterly	Ranking charge amounting to Rupees 667 million on all the fixed assets (excluding land and building) of the Company.
National Bank of Pakistan	474,449	452,750	500,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 10 February 2025.	Half yearly	Joint pari passu charge amounting to Rupees 1,624 million (inclusive of 25% margin) over plant and machinery of the Company.
	202,710	217,530	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 24 June 2026.	Half yearly	
	340,371	373,466	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments after expiry of 18 months from the date of first disbursement.	Half yearly	
	1,017,530	1,043,746	1,218,000				
National Bank of Pakistan	89,362	-	143,000	SBP LTFF rate + 1%	Twelve equal half yearly installments commencing from 18th month of first drawdown and subsequently every 6 month or as per SBP finalized repayment schedule.	Half yearly	Ranking charge amounting to Rupees 190.667 million on all the fixed assets (excluding land and building) of the Company.
National Bank of Pakistan	18,107	-	500,000	SBP LTFF rate + 1%	Twelve equal half yearly installments commencing from 18th month of first drawdown and subsequently every 6 month or as per SBP finalized repayment schedule.	Half yearly	Ranking charge amounting to Rupees 667 million on all the fixed assets (excluding land and building) of the Company.
PAIR Investment Company Limited	180,484	180,484	300,000	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2025.	Quarterly	Joint pari passu charge over fixed assets (excluding land and building) amounting to Rupees 400 million of Rawalpindi and Gujar Khan Division and personal guarantees of the sponsor directors.
	54,033	-	119,500	SBP LTFF rate + 1.5%	Twenty equal quarterly installments commencing from 27th month of the date of first disbursement.	Quarterly	
	234,517	180,484	419,500				

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited	172,558	211,781	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	First pari passu charge over land and building of Raiwind Division amounting to Rupees 467 million, and plant and machinery of the Company and personal guarantees of the sponsor directors.
Allied Bank Limited	410,790	132,641	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commencing from 21 July 2021 and ending on 23 June 2028.	Quarterly	Joint pari passu charge amounting to Rupees 2,000 million (inclusive of 25 % Margin) over plant and machinery of the Company.
Allied Bank Limited (Note 6.4)	711,398	342,905	1,000,000	SBP LTFF rate for payment of wages & salaries + 0.5% to 1.00%	Eight equal quarterly installments commenced from 31 January 2021 and ending on 25 November 2022.	Quarterly	
	1,122,188	475,546	1,500,000				
	4,206,691	2,968,283	6,848,179				

6.2 Subsidiary Company (MLCFL)

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
Askari Bank Limited - Term Finance	707,129	707,129	707,130	3 month KIBOR + 75bps 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.	20 equal quarterly installments starting from 28 March 2022	Quarterly	1st joint pari passu charge of Rupees 1333.33 million over fixed assets of MLCFL with 25% margin
The Bank of Punjab - Demand Finance	1,253,119	1,253,119	1,253,119	3 month KIBOR + 75bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	20 equal quarterly installments starting from 27 May 2022	Quarterly	1st joint pari passu charge over all present and future fixed assets of MLCFL with 25% margin amounting to Rupees 4,666.67 million and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
MCB Bank Limited - Demand Finance	1,367,920	1,367,920	1,451,920	3 month KIBOR + 75bps p.a payable quarterly in arrears to be reset on 1st working day of each quarter.	20 equal quarterly installments starting from 22 June 2022	Quarterly	1st joint pari passu charge of Rupees 6,667 million over all present and future fixed assets of MLCFL with 25% margin
National Bank of Pakistan - Demand Finance	2,994,285	2,994,285	5,500,000	3 month KIBOR + 75bps 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 calendar quarter	21 equal quarterly installments starting from 30 September 2021	Quarterly	1st joint pari passu charge of Rupees 7,334 million over fixed assets of MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
Samba Bank Limited - Term Finance	450,000	450,000	450,000	3 month KIBOR + 75bps p.a payable quarterly in arrears to be reset on 1st working day of each calendar quarter	12 equal quarterly installments starting from 01 April 2022	Quarterly	Joint pari passu charge of Rupees 600 million on entire present and future fixed assets of MLCFL
MCB Bank Limited (EX NIB) - Term Finance	1,488,379	1,488,379	1,488,379	3 month KIBOR + 75bps p.a payable quarterly in arrears to be set on the first working day of every calendar quarter.	21 equal quarterly installments starting from 4 May 2022	Quarterly	1st joint pari passu charge of Rupees 6,667 million over all present and future fixed assets of MLCFL with 25% margin

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
MCB Islamic Bank Limited - Diminishing Musharikah	1,104,167	1,104,167	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 calendar quarter.	18 equal quarterly installments starting from 27 March 2022	Quarterly	1st joint pari passu charge of Rupees 2,000 million over all present and future fixed assets, personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
Habib Bank Limited - Term Finance	714,286	714,286	1,000,000	3 month KIBOR + 75bps 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	20 equal quarterly installments starting from 28 September 2022	Quarterly	Joint pari passu equitable and hypothecation charge of Rupees 1,334 million over all present and future fixed assets of MLCFL.
Askari Bank Limited - Term Finance	125,000	125,000	125,000	3 month KIBOR + 125 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	5 equal quarterly installments starting from 04 March 2022	Quarterly	1st joint pari passu charge of Rupees 667 million over fixed assets of MLCFL with 25% margin.
The Bank of Punjab - Demand Finance	374,339	374,339	374,339	3 month KIBOR + 125 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.	5 equal quarterly installments starting from 06 April 2022	Quarterly	1st joint pari passu charge over all present and future fixed assets of MLCFL with 25% margin amounting to Rupees 4,666.67 million and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
MCB Bank Limited - Demand Finance	37,029	185,145	185,145	3 month KIBOR + 115bps p.a payable quarterly in arrears to be reset on 1st working day of each calendar quarter	5 equal quarterly installments starting from 06 April 2022	Quarterly	1st joint pari passu charge of Rupees 6,667 million over all present and future fixed assets of MLCFL .
National Bank of Pakistan - Demand Finance	250,000	250,000	1,000,000	3 month KIBOR + 125 bps p.a payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each Calendar quarter on the basis of rate as at last working day of immediately preceding calendar quarter.	5 equal quarterly installments starting form 06 April 2022	Quarterly	1st pari passu charge of Rupees 1334 million over all present and future fixed assets of MLCFL, personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
MCB Islamic Bank Limited - Diminishing Musharikah	166,667	166,667	500,000	3 month KIBOR +70 bps p.a payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each quarter.	8 equal quarterly installments starting from 13 December 2022	Quarterly	Joint pari passu charge of Rupees 666.67 million over all present and future fixed assets of MLCFL, personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
Pair Investment Company Limited	150,000	150,000	300,000	3 month KIBOR + 100 bps p.a. payable quarterly with the first payment falling due at the end of the 3rd month from the first disbursement date and subsequently every three months thereafter.	8 equal quarterly installments starting from 28 September 2021	Quarterly	1st pari passu charge over present and future fixed assets of MLCFL with 25% margin.

LENDER	2021	2020	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - Term Finance	97,964	-	900,000	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.	20 equal quarterly installments starting from 17 November 2021	Quarterly	Cushion available against existing registered 1st joint pari passu charge of Rupees 2,000 million, to the extent of Rupees 890.493 million, over fixed assets of MLCFL with 25% margin and ranking hypothecation charge of Rupees 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of MLCFL (to be upgraded to 1st Joint Pari Passu charge).
Askari Bank Limited - TERF (Note 6.3)	522,951	-	900,000	SBP Rate + 200 bps p.a payable quarterly in arrears.	20 equal quarterly installments starting from 17 November 2021	Quarterly	Ranking hypothecation charge of Rupees 310 million, Margin 25% over all present and future fixed assets (excluding land and building) of MLCFL to be registered with SECP.
Allied Bank Limited- SBP refinance for Wages and Salaries (Note 6.4)	609,385	433,179	933,000	SBP rate plus 50bps to 100bps p.a payable quarterly.	8 equal quarterly installments starting from 31 January 2021	Quarterly	1st pari passu charge over all fixed assets of MLCFL with 25% margin.
The Bank of Punjab - Demand Finance	161,102	-	1,000,000	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.	24 equal quarterly installments starting from 14 Dec 2021	Quarterly	1st joint pari passu charge over all present and future fixed assets of MLCFL with 25% margin amounting to Rupees 4,666.67 million and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
National Bank of Pakistan - Demand Finance	198,302	-	3,000,000	3 month KIBOR+ 125bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	32 equal quarterly installments starting form 18 September 2023	Quarterly	Ranking charge of Rupees 4,000 million, to be upgraded to lst joint parri passu charge, over present and future fixed assets of MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
The Bank of Punjab - Demand Finance	182,555	-	3,000,000	3 month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	32 equal quarterly installments starting form 18 June 2023	Quarterly	Cushion available against existing registered 1st joint pari passu charge of Rupees 4,666.66 million, to the extent of Rupees 763.9 million, over fixed assets of MLCFL with 25% margin and initial ranking charge of Rupees 3236.1 million with 25% margin, over all present and future fixed assets of MLCFL (to be upgraded to 1st Joint Pari Passu charge).
MCB Bank Limited - Demand Finance	136,931	-	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.	32 equal quarterly installments starting form 18 June 2023	Quarterly	1st joint pari passu charge of Rupees 6,667 million over all present and future fixed assets of MLCFL with 25% margin
Habib Bank Limited - LTFF	249,851	-	2,000,000	SBP+ 150bps p.a payable on calendar quarter.	20 equal quarterly installments starting from 25 September 2023	Quarterly	1st joint pari passu charge of Rupees 4,000 million over present and future fixed assets of MLCFL with 25% margin
	13,341,361	11,763,615	29,568,032				
Long term portion of cash finance and others	-	534,487					
	13,341,361	12,298,102					

6.2.1 MLCFL has un-availed long term facilities amounting to Rupees 2,000 million (2020: Rupees 3,000 million) for the purpose of expansion / BMR of new cement product line.

6.3 This represents long-term loan obtained by the Group under "SBP Temporary Economic Refinance Facility" for import of plant and machinery and setting up of Waste Heat Recovery Plant. 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	
	2021	2020	2021	2020	2021	2020
	----------------(RUPEES IN THOUSAND)----------------					
Balance at beginning of the year	-	-	-	-	-	-
Disbursements during the year	591,957	-	441,534	-	1,033,491	-
Repayments during the year	-	-	-	-	-	-
	591,957	-	441,534	-	1,033,491	-
Discounting adjustments for recognition at fair value - deferred government grant	(73,786)	-	(23,575)	-	(97,361)	-
Unwinding of discount on liability	4,780	-	563	-	5,343	-
Balance as at end of the year	522,951	-	418,522	-	941,473	-

6.4 These represent long-term loans obtained by the Group under SBP Refinance Scheme for payment of wages and salaries to workers. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates. These loans are repayable in 8 equal quarterly installments commenced from 31 January 2021. 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 Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan. The reconciliation of the carrying amount is as follows:

	MLCFL		KTML		Total	
	2021	2020	2021	2020	2021	2020
	----------------(RUPEES IN THOUSAND)----------------					
Balance at beginning of the year	433,179	-	342,905	-	776,084	-
Disbursements during the year	420,081	433,179	657,095	342,905	1,077,176	776,084
Repayments during the year	(213,315)	-	(250,000)	-	(463,315)	-
	639,945	433,179	750,000	342,905	1,389,945	776,084
Discounting adjustments for recognition at fair value - deferred government grant	(68,306)	-	(83,969)	-	(152,275)	-
Unwinding of discount on liability	37,746	-	45,367	-	83,113	-
Balance as at end of the year	609,385	433,179	711,398	342,905	1,320,783	776,084

	Note	2021	2020
		(Rupees in thousand)	
7. DEFERRED GOVERNMENT GRANTS			
Government grant recognised during the year	7.1	249,636	-
Less: Amortisation of deferred government grant during the year		(88,456)	-
		161,180	-
Less: Current portion of deferred government grant	16	(87,324)	-
		73,856	-

7.1 This represent deferred government grants in respect of long term loans obtained by the Group under "SBP Temporary Economic Refinance Facility" and SBP Refinance Scheme for payment of wages and salaries to workers as disclosed in note 6.3 & 6.4 to these consolidated financial statements, respectively. There are no unfulfilled conditions or other contingencies attached to these grants.

	Note	2021	2020
		(Rupees in thousand)	
8. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE			
Balance at the beginning of the year		649,333	649,333
Less: Gain on remeasurement of GIDC	39	(50,596)	-
Less: Payments made during the year		(64,864)	-
Add: Unwinding of discount on GIDC payable	40	33,968	-
		567,841	649,333
Less: Current portion of GIDC payable	16	(510,657)	(649,333)
	8.1	57,184	-

8.1 This represents non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Group, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which was pending adjudication at the end of last year. However, during the year Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, has decided the case in favor of SNGPL. Now the Group is to pay the balance amount of GIDC in 24 equal monthly installments. This liability has been recognized at fair value using discount rate of 8.23% and 8.31% per annum by Holding Company and MLCFL respectively. The difference between the fair value and the total amount of liability is recognized in statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability is recognized in statement of profit or loss as finance cost.

9. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Subsidiary Company, MLCFL in accordance with the terms of dealership agreements. These deposits have not been kept in a separate bank account.

	Note	2021	2020
		(Rupees in thousand)	

10. RETIREMENT BENEFITS

Subsidiary Company - MLCFL

Accumulated compensated absences	10.1	137,775	126,963
Gratuity	10.2	90,491	87,989
		228,266	214,952

10.1 Accumulated compensated absences

The actuarial valuation of the MLCFL's accumulated compensated absences was conducted on 30 June 2021 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

	2021	2020
	(Rupees in thousand)	

10.1.1 Movement in the present value of defined benefit obligations is as follows:

Present value of defined benefit obligations at beginning of the year	126,963	106,184
Current service cost	10,053	12,275
Interest cost for the year	9,957	14,354
Actuarial losses on present value of defined benefit obligations	10,450	8,531
Less: Benefits paid during the year	(19,648)	(14,381)
	137,775	126,963

10.1.2 Charge for the year

Consolidated statement of profit or loss:		
Current service cost for the year	10,053	12,275
Interest cost for the year	9,957	14,354
Actuarial losses on present value of defined benefit obligations	10,450	8,531
	30,460	35,160

10.1.3 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 2021 would have been as follows:

	Compensated absences	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	124,097	153,994
Future salary increase + 100 bps	153,723	124,108

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.

10.1.4 At 30 June 2021, the average duration of the defined benefit obligation was 11 years.

	2021	2020
	(Percentage)	
10.1.5 Actuarial assumptions		
The following are the principal actuarial assumptions as at 30 June 2021:		
Discount rate used for interest cost	8.50%	14.50%
Discount rate used for year end obligations	10.00%	8.50%
Expected rate of growth per annum in future salaries	9.00%	7.50%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	

10.2 Gratuity

The latest actuarial valuation of the Subsidiary Company's (MLCFL) defined benefit plan, was conducted on 30 June 2021 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2021	2020
		(Rupees in thousand)	
The amounts recognized in the consolidated statement of financial position are as follows:			
Present value of defined benefit obligation	10.2.1	168,575	156,026
Less: Fair value of plan assets	10.2.2	(78,084)	(70,163)
Plus: Payable to ex-employees		-	2,126
Net liability at end of the year		90,491	87,989
Net liability at beginning of the year		87,989	99,170
Charge to consolidated statement of profit or loss for the year	10.2.3	11,596	19,032
Charge to consolidated statement of comprehensive income for the year	10.2.3	27,456	(8,870)
Contributions made during the year		(36,550)	(21,343)
Net liability at end of the year		90,491	87,989

	2021	2020
	(Rupees in thousand)	
10.2.1 Movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligations at Beginning of the year	156,026	167,576
Current service cost for the year	5,852	6,695
Interest cost for the year	11,708	21,900
Benefits due but not paid	-	(1,269)
Adjustment of Payables (already paid in last year)	2,126	-
Actuarial losses on present value of defined benefit obligations	29,414	(12,363)
Benefits paid during the year	(36,551)	(26,513)
Present value of defined benefit obligation at end of the year	168,575	156,026
10.2.2 Movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	70,163	69,263
Contributions made during the year	36,550	21,343
Expected return on plan assets for the year	5,964	9,563
Return on plan assets excluding interest income	1,958	(3,493)
Benefits paid during the year	(36,551)	(26,513)
Fair value of plan assets at end of the year	78,084	70,163
Plan assets comprise of:		
NAFA Government Securities Liquid Fund	23,424	20,053
Special saving certificates	53,280	48,000
Cash at bank	1,380	2,110
Bank charges paid by Subsidiary on behalf of fund	-	-
Less : Benefits payable	-	-
	78,084	70,163

Plan assets comprise of:	2021	2020
Equity	30.00%	28.58%
Special saving certificates	68.23%	68.41%
Cash at bank	1.77%	3.01%
	100.00%	100.00%

	2021	2020
	(Rupees in thousand)	

10.2.3 Charge for the year:

	2021	2020
In consolidated statement of profit or loss		
Current service cost for the year	5,852	6,695
Interest cost for the year	11,708	21,900
Expected return on plan assets for the year	(5,964)	(9,563)
	11,596	19,032
In consolidated statement of comprehensive income		
Actuarial loss / (gain) on retirement benefits - net	27,456	(8,870)
	39,052	10,162

Actuarial assumptions:

The following are the principal actuarial assumptions at 30 June:

	2021	2020
Discount rate used for year end obligation	10.00%	8.50%
Discount rate used for interest cost in profit or loss	8.50%	14.25%
Expected rate of growth per annum in future salaries	9.00%	7.50%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	

10.2.4 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 2021 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	161,490	176,312
Future salary increase + 100 bps	176,312	161,364

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.

10.2.5 At 30 June 2021, the average duration of the defined benefit obligation was 4 years (2020: 4 years).

10.3 MLCFL expects to charge Rupees 13.537 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2022.

11. RETENTION MONEY PAYABLE

This represents retention money payable by MLCFL to M/s FLS Smidth amounting to Euro 3.796 million (equivalent to Rupees 421.841 million at the exchange rate prevailing on the date of signing of contract, i.e. 16 January 2017) on meeting the agreed performance guarantee. The amount is payable after the expiry of two years period following the fulfillment of performance guarantee and has been accounted for at present value using discount rate of 7% per annum and unwinding of liability amounting to Rupees 25.625 million is charged to consolidated statement of profit or loss.

12. DEFERRED INCOME TAX LIABILITY

This comprises of following:

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		5,955,056	5,684,514
Short term investments		435,383	59,534
		6,390,439	5,744,048
Deferred tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(106,222)	(68,042)
Provision against obsolete stock-in-trade		(1,132)	(1,132)
Unused tax losses	12.1	(1,991,241)	(2,781,037)
Tax credit under section 65B		-	(119,870)
Provision against slow moving stores, spare parts and loose tools		(1,094)	(1,094)
Available tax loss on sale of investments and trading in derivatives		-	(182,658)
Alternative corporate tax		(276,429)	-
Employees' retirement benefits		(65,117)	(60,712)
		(2,441,235)	(3,214,545)
		3,949,204	2,529,503
Movement in deferred tax balances is as follows:			
At beginning of the year		2,529,503	3,106,416
Recognized in consolidated statement of profit or loss:			
- Accelerated tax depreciation on operating fixed assets		270,542	568,765
- Short term investments		375,849	79,075
- Unrealized loss on re-measurement of futures contracts - shares		-	(1,915)
- Allowance for expected credit losses		(38,180)	(12,699)
- Unrealized gain on re-measurement of futures contracts - gold		-	2,124
- Unused tax losses		789,796	(1,460,493)
- Tax credit under section 65B		119,870	440,969
- Provision against slow moving stores, spare parts and loose tools		-	(740)
- Available tax loss on sale of investments and trading in derivatives		182,658	(182,658)
- Employees' retirement benefits		3,427	(11,846)
- Alternative corporate tax		(276,429)	-
	41	1,427,533	(579,418)
Recognized in consolidated statement of comprehensive income			
- Employees' retirement benefits		(7,832)	2,505
		3,949,204	2,529,503

12.1 This represents deferred tax asset of Subsidiary Company, MLCFL on unused tax losses amounting to Rupees 6,866.35 million (2020: Rupees 9,589.78 million) recognized on the basis of future expected taxable profits. As at 30 June 2021, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of Income Tax Ordinance, 2001.

12.2 Deductible temporary differences are considered to the extent that the realization of related tax benefits is probable from reversals of existing taxable temporary differences and future taxable profits.

13. TRADE AND OTHER PAYABLES

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Creditors		3,955,017	4,455,068
Bills payable - secured		752,517	750,472
Accrued liabilities		1,153,193	1,027,945
Security deposits, repayable on demand	13.1	64,242	64,101
Contract liabilities - unsecured		401,711	384,642
Contractors' retention money		43,296	271,258
Workers' profits participation fund	13.2	1,725,945	1,477,908
Workers' welfare fund		176,523	43,174
Duties and taxes		1,737,937	1,626,892
Payable against redemption of preference shares		1,016	-
Withholding income tax payable		4,385	8,522
Sindh infrastructure development cess		99,238	68,880
Payable to employees' provident fund trust		20,739	11,841
Unrealised loss on re-measurement of futures contracts - shares		59,915	-
Others		50,877	50,958
		10,246,551	10,241,661

13.1 This represents security deposits received from distributors and contractors of MLCFL. Distributors and contractors have given MLCFL a right to utilize deposits in ordinary course of business.

13.2 Workers' profits participation fund (WPPF)

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Balance as on 01 July		1,477,908	1,483,332
Allocation for the year	38	432,966	163,283
Interest for the year	40	10,172	14,524
		1,921,046	1,661,139
Less: Payments during the year		(195,101)	(183,231)
		1,725,945	1,477,908

13.2.1 The Holding Company retains workers' profits participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

13.2.2 The outstanding WPPF liability of subsidiary companies, MLCFL and MLPL includes leftover amount of Rupees 1,284.35 million payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968 pertaining to the financial year ended 30 June 2012 to 30 June 2019. According to the 18th amendment to the Constitution of Pakistan in 2010, all labor / labor welfare laws have become provincial subject, and accordingly the left over amount is no more payable to the Federal Treasury. Major strength of Subsidiary Company's employees eligible for benefit of WPPF are working in the Province of Punjab and accordingly potential amount of left over amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court in its judgment in C.P. No. D-1313 of 2013 announced on 12 February 2018. The Government of Punjab has enacted Companies Profits (Workers' Participation) (Amendment) Ordinance 2018 which is silent about the payment of the amount in excess of employees' entitlement. Further in view of legal constraints and constraints as aforementioned, the management is of the view that no markup is due on the unpaid amount.

13.2.3 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.

13.3 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 Holding 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 Holding Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Holding Company along with others are in the process of filing 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.

	Note	2021	2020
		(Rupees in thousand)	
14. ACCRUED MARK-UP			
Long term financing		240,854	340,455
Short term borrowings		97,777	342,862
		338,631	683,317
15. SHORT TERM BORROWINGS			
From banking companies - secured			
Short term running finances	15.1 & 15.2 & 15.5	1,881,528	2,570,861
Finance against trust receipts:			
Finance against trust receipts availed		-	364,469
Classified to non-current	6	-	(32,956)
	15.6	-	331,513
Other short term finances	15.1 & 15.3	2,673,252	7,435,786
State Bank of Pakistan (SBP) refinances	15.1 & 15.4	4,519,777	3,538,802
		9,074,557	13,876,962
Temporary bank overdraft - unsecured	15.7	5,719	338,764
		9,080,276	14,215,726

15.1 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 32.2.1 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, book debts, lien marked over import documents and title of ownership of goods imported under letters of credit and personal guarantees of the sponsor directors. These form part of total credit facilities of Rupees 17,433 million (2020: Rupees 14,212 million).

15.2 The rates of mark-up range from 7.75% to 9.09% (2020: 3% to 20%) per annum on balance outstanding.

15.3 The rates of mark-up range from 2.97% to 14.81% (2020: 2.97% to 15.41%) per annum on balance outstanding.

15.4 The rate of mark-up was 3% (2020: 3%) per annum on balance outstanding.

15.5 The running finance facility of Subsidiary Company, MLPL is secured against first pari passu charge of Rupees 267 million over all present and future current assets and moveable fixed assets and Rupees 467 million over fixed assets of the Subsidiary Company, MLPL with a margin of 25%, cross corporate guarantee of MLCFL.

15.6 Last year this balance includes amount of Rupees 331.513 million in respect of finance against trust receipt facilities (FATR) availed from various banks by MLPL with the cumulative sanctioned limit of Rupees 1500 million. This carried mark-up rates ranging from 3 month / 1 month KIBOR plus 0.50% to 0.75% per annum, payable quarterly. At the current year end, the MLPL has unavailed FATR facility with sanction limit of Rupees 500 million from the Bank of Punjab which carries markup at the rate of three month KIBOR plus 0.75%, payable quarterly. This is secured against first pari passu charge of Rupees 667 million over all present and future moveable fixed assets of the Company with 25% margin, corporate guarantee of the MLCFL, assignment of receivables of the MLCFL, trust receipts and lien on title of goods under import documents. The expiry date of the facility is 31 December 2021.

15.7 This represents temporary overdraft due to cheques issued by the Group at the statement of financial position date.

	Note	2021	2020
		(Rupees in thousand)	
16. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	6	2,737,329	232,296
Deferred government grant	7	87,324	-
Current portion of GIDC payable	8	510,657	649,333
		3,335,310	881,629

17. UNCLAIMED DIVIDEND

It is payable on demand.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

Holding Company

a) The Company filed an appeal before Appellate Tribunal Inland Revenue, Lahore for the tax year 2003 against order of Commissioner Inland Revenue (Appeals) (CIR(A)) dated 18 September 2008 passed under section 122 (5A) of the Income Tax Ordinance, 2001 wherein the order of the Assessing Officer creating demand of Rupees 20.780 million was upheld. In addition to above, another appeal for the tax year 2003 was filed by the tax department before Appellate Tribunal Inland Revenue against the order of CIR (A) passed under section 221, through which order of the assessing officer regarding disallowance of depreciation expense amounting to Rupees 62.666 million and penalty levied amounting to Rupees 17.484 million had been annulled. An appeal before Appellate Tribunal Inland Revenue is pending for hearing. No provision has been made in these consolidated financial statements as the Company is hopeful of favorable outcome of these cases.

b) 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 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 against above orders which are still pending for hearing. No provision has been made in these consolidated financial statements as the Company is hopeful of a favorable outcome.

c) 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 & 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, which is still pending for hearing. 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 Commissioner Inland Revenue (Appeals) 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 consolidated financial statements as the Company is hopeful of a favorable outcome.

d) 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 Commissioner Inland Revenue (Appeals) who granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the Honorable Appellate Tribunal Inland Revenue 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 consolidated financial statements as the Company is hopeful of a favorable outcome.

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 consolidated financial statements as the Company is hopeful of a favorable outcome.

f) 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 consolidated financial statements which on the basis adopted by the authorities would amount to Rupees 175.619 million (2020: Rupees 87.996 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

g) The Company filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2020: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these consolidated financial statements since the Company is confident about favorable outcome of the cases.

h) 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 consolidated financial statements, since the Company is confident about favorable outcome.

i) The Company filed an appeal before Supreme Court of Pakistan against an order of Lahore High Court, Rawalpindi Bench on an appeal filed by supplier for non-payment by the Company. The Company has provided a guarantee of Rupees 4.254 million on the directions of Supreme Court of Pakistan. Appeal is pending adjudication and the Company expects a favorable outcome.

j) 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 371.011 million (2020: Rupees 331.011 million).

Subsidiary Company - Maple Leaf Cement Factory Limited

a) The Company filed writ petitions before the Honorable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal in 2004 whereby the Company was held liable on account of wrongful adjustment of input sales tax on raw materials. The amount involved pending adjudication before the Honorable Lahore High Court is Rupees 10.01 million out of which Rupees 3 million had already been paid during previous years. During the year Lahore High Court remanded the case back to Appellate Tribunal for Decision afresh. However, hearing of the appeals by the Appellate Tribunal is yet to be fixed. No further provision has been made in these consolidated financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

b) The Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rupees 12.35 million was rejected and the Company was held liable to pay an amount of Rupees 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated 01 July 1995. The impugned demand was raised by the department on the alleged ground that the Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated 02 April 1994.

The Honorable Lahore High Court, upon the Company's appeal, vide its order dated 06 November 2001 has decided the matter in favor of the Company; however, the Collector of Customs has preferred a petition before the Honorable Sindh High Court, which is pending adjudication. The management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company. However, no receivable of Rupees 12.35 million was booked by the management in previous years and no further provision has been booked by the management in these consolidated financial statements.

c) The Show Cause Notice was issued to the Company on 04 December 1999 and demand was raised by the CBR for payment of duties and taxes on the plant and machinery imported by the Company (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 1,386.72 million was raised by the CBR out of which an amount of Rupees 449.328 Million was deposited by the Company (initially the Company deposited Rupees 269.328 million and subsequently deposited further amount of Rupees 180.00 million). Initially, the matter was decided in favor of the Company as per the judgment of the Lahore High Court in W.P. 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 judgment dated 21 December 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad. The Company has filed its reply before the Collector of Customs, Faisalabad who decided the same against the Company through an Order-in-Original No. 6/2014 dated 09 July 2014. The said Order-in-Original was challenged by the Company by way of filing of Appeal No. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated 21 August 2019 has granted partial relief to the Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by EDB vide letter dated 21 June 2006. However, the Collector of Customs instead of making fresh calculations through a Demand Notice bearing C. No. CA-1946/2000(Pt-I)/8169 dated 23 October 2019 restored the original demand raised by the earlier Order-in-Original No. 06/2014 and directed the Company to pay the amount of Rupees 933.810 million within a period of seven days. The said demand of tax was challenged by the Company before the Honorable Lahore High Court, wherein stay against recovery was granted to it by the Honorable Lahore High Court vide order dated 04 November 2019. This matter is still pending before the Honorable Lahore High Court, Lahore and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

d) The Company filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of the Division Bench of the Honorable High Court of Sindh at Karachi. The Division Bench, by judgment dated 15 September 2008, had partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to 28 December 2006 was illegal and ultra vires and after 28 December 2006, it was legal and the same was collected by the Excise Department in accordance with the law. The Company and the Province of Sindh and Excise and Taxation Department both preferred an appeal against the matters decided against them. The Honorable Supreme Court consolidated both the appeals and were set aside. Thereafter, law was challenged in constitution petition in the Honorable Sindh High Court Karachi. Stay was granted by the Honorable Sindh High Court on 31 May 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The Company also filed an appeal before the Honorable Sindh High Court to challenge Sindh Development and Maintenance on levy and collection of infrastructure cess under Infrastructure Cess Act 2017. Stay was granted by the Honorable High Court on 27 November 2017 in line with earlier petitions as explained above, i.e. on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them.

All the petitions mentioned were heard together and Honorable Sindh High Court by a consolidated judgment dated 04 June 2021, has decided the matter against the Company by stating that levy is a cess and has been validly levied for the purpose of maintenance of infrastructure and Infrastructure Cess Act 2017 is valid with retrospective effect from 1994. However, the said judgment would remain suspended for a period of ninety days, up to 3 September 2021, and the interim arrangement of paying 50% of the cess and securing 50% of the cess through deposit of a bank guarantee would continue. The management being aggrieved with the decision of the Honorable Sindh High Court is in process of filing an appeal before Honorable Supreme Court of Pakistan. The management and legal advisor of the Company are confident that the case will ultimately be decided in favor of the Company. However, being prudent, the management has not booked receivable of 50% cess already paid in these consolidated financial statements.

e) The Competition Commission of Pakistan, vide order dated 27 August 2009, imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. In doing so, the Commission imposed penalty amounting to Rupees 586.19 million on the Company. The Commission alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court (LHC). During the year, Honorable LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Company and the appeal impugning the levy of penalty vide order dated 28 August 2009 has been referred to the Competition Appellate Tribunal. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan which is pending adjudication at the year end. No provision has been made in these consolidated financial statements as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

f) The Additional Collector, Karachi issued show cause notice alleging therein that the Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated 05 June 2006 on the import of pre-fabricated buildings structure. Consequently, the Company is liable to pay Government dues amounting to Rupees 5.55 million. The Company submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these consolidated financial statements as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

g) The customs department filed an appeal against the judgment dated 19 May 2009, passed in favor of the Company pursuant to which the Company is not liable to pay custom duty amounting to Rupees 0.81 million relating to import of some machinery vide L/C No. 0176-01-46-518-1201 in terms of SRO 484(1)/92 dated 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. The appeal is pending before the Honorable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

h) Deputy Commissioner Inland Revenue through order dated 31 July 2017 raised a demand of Rupees 2.46 million under section 122(5A) for the tax year 2011 of the Income Tax Ordinance, 2001. The demand was later reduced to Rupees 2.056 million on 14 March 2018. The Company has preferred an appeal before CIR(A). During last year, CIR(A), through order dated 17 April 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible / inadmissible deductions against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favorable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

i) The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR) initiated proceedings related to the tax year 2017, vide order dated 13 March 2019, against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001 (the "Ordinance"). The notice was duly responded by tax advisor of the Company. During last year, proceedings were concluded and ACIR raised an additional tax demand of Rupees 303.360 million through amendment order, dated 27 January 2020, passed under section 122(5A) of the Ordinance. The Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) - CIR(A). The CIR(A), through his order dated 6 May 2020, decided all the matters in favor of the Company 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 & sales promotion expenses. The Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication at the year end. However, management of the Company is confident of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

j) The Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') passed an appeal effect order dated 31 July 2017, related to tax year 2015, under section 124/129 of the Ordinance, giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. During last year, CIR(A), through order dated 17 April 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions, aggregating to Rs 180 million, against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favorable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

k) During the year, the Commissioner Inland Revenue Audit - I Large Taxpayers Office, Lahore ['CIR'], via notices dated 26 February 2021, has selected the Company's case for audit of its income tax affairs for tax years 2015, 2016, 2017, 2018 & 2019. Being aggrieved, the Company has challenged the vires of selection by the CIR before the Honorable Lahore High Court, Lahore ['LHC'] and the honorable LHC vide interim order dated 01 April 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition. Following the directions of LHC the Company responded to audit proceedings and tax authorities issued show cause notices, under section 122(9) and section 111 of Income Tax Ordinance 2001, dated 11 June 2021 and 25 June 2021 respectively for all five tax years which are yet to be responded at the year end. However, management and tax/ legal advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

l) During the year, FBR through computerized balloting selected the Company's case for audit of its sales tax affairs for the tax period from July 2017 to June 2018. Subsequently, the Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') issued audit report and show cause notice dated 8 March 2021 and 17 March 2021 respectively. The proceedings were finalized through order dated 31 March 2021 through which an aggregate sales tax demand of Rupees 1,399,890,879 was created against the Company. The Company, being aggrieved, has preferred an appeal against the above referred order which was disposed of by the CIR vide appellate order dated 15 July 2021. Through such order, majority of the issues which were pressed in appeal were settled in favor of the Company. Regarding the issues decided against the Company, the Company is in process of preferring an appeal before the ATIR. However, management and tax advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

m) During the year, through notices dated 3 March 2021, the Commissioner Inland Revenue Audit - I Large Taxpayers Office, Lahore ['CIR'] selected the Company's case for sales tax audit for tax periods from 01 July 2015 to 30 June 2017 and 01 July 2018 to 30 June 2020. The Company challenged the vires of selection by the CIR before the Honorable Lahore High Court, Lahore ['LHC'] and the Honorable LHC vide interim order dated 30 March 2021, directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition. Following the directions of Honorable LHC the Company responded to audit proceedings and tax authorities issued show cause notice, dated 31 May 2021, under section 11 of the Sales Tax Act 1990 for the subject tax periods which is yet to be responded at the year end. However, management and tax/legal advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

n) The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR), via notice dated 21 May 2020, initiated proceedings against the Company, related to tax year 2018, under Section 122 (9) read with section 122 (5A) of the Income Tax Ordinance 2001 (Ordinance). The above proceedings were concluded by the ACIR through amendment order dated 02 September 2020, passed under section 122(5A) of Ordinance through, which income tax demand of Rs 376.182 million was created against the Company. The Company, being aggrieved, preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. During the year, the CIR (A) through appellate order dated 30 December 2020, decided majority of the issues in favor of the Company. The Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue ['ATIR'] which is pending adjudication. However, management and tax advisor of the Company is hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

o) Guarantees given by banks on behalf of MLCFL are of Rupees 683.06 million (2020: Rupees 774.01 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

Subsidiary Company - Maple Leaf Power Limited

a) The Subsidiary Company MLPL had filed appeal before the Honorable Sindh High Court challenging the levy and collection of infrastructure cess under Sindh Development and Maintenance Infrastructure Cess Act 2017. Stay was granted by the Honorable High Court on 27 November 2017 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. All petitions on the same issue were heard together and decided by the Honorable High Court by a consolidated judgment dated 4 June 2021. In its judgement, the Honorable Court ruled that levy is a cess and has been validly levied for the purpose of maintenance of infrastructure. However the judgment would remain suspended for a period of ninety days, up to 3 September 2021, and the interim arrangement of paying 50% of the cess and securing 50% of the cess through deposit of a bank guarantee would continue. The management being aggrieved with the decision of the Honorable High Court is planning to file an appeal before Supreme Court and is confident that the ultimate outcome of this case will be in favor of the Subsidiary Company.

b) During the year, the Subsidiary Company MLPL was issued show caused notice by Deputy Commissioner Inland Revenue (DCIR) vide notice no. 209/13 dated 09 February 2021 under section 11

(2) of Sales Tax Act, 1990 for the tax period from July 2016 to June 2018 on account of in-admissible adjustment of input tax credit under sections 8(1)(a), (ca), (f), (h), (i), and (j) of the Sales Tax Act, 1990. In response to the show cause notice and corrigendum issued, the Subsidiary Company submitted various replies. The learned DCIR by non-reading/ misreading the replies along with documents submitted by the Subsidiary Company, passed an order under section 11 (2) of the Sales Tax Act, 1990 bearing number U-13/Enf-11/19/2021 dated 27 May 2021 by creating a demand of Rupees 367.62 million. The Subsidiary Company has filed an appeal before Commisioner Inland Rrevenue Appeals (CIR(A)) which is pending for fixation. The Subsidiary Company on the basis of advice by tax advisor believes that the matter will be decided in its favor however, till the finalization of the case, the Subsidiary Company is contingently liable for amount of Rupees 367.620 million.

c) During the year, DCIR issued show cause notices to the Subsidiary Company MLPL under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2016 to Dec 2020 on account of inadmissibility of adjustment of input tax credit adjustment against Capacity Purchase Price (CPP) component of electricity tariff. In response to the show cause notices, the Subsidiary Company submitted various replies. The DCIR by ignoring the replies along with documents submitted by the Subsidiary Company, passed the orders no. 04/21 and 05/21 dated 15 July 2021 and 17 July 2021 respectively and raised sales tax demand aggregating to Rupees 1,026.41 million on account of non-apportionment of input tax credit against CPP component of electricity tariff. The Subsidiary Company is in process of filling an appeal before CIR(A). The Subsidiary Company on the basis of advice by tax advisor believes that the matter will be decided in its favor and, till the finalization of the case, the Subsidiary Company is contingently liable for amount of Rupees 1,026.41 million.

d) Guarantees given by banks on behalf of Subsidiary Company MLPL are of Rupees 25 million (2020: Rupees 25 million) in favor of Director Excise and Taxation Karachi.

18.2 Commitments in respect of:

a) Contracts for capital expenditure amounting to Rupees Nil (2020: Rupees 12.035 million).
b) Letters of credit for capital expenditure amount to Rupees 12,185.517 million (2020: Rupees 121.610 million).
c) Letters of credit other than for capital expenditure amounting to Rupees 3,388.249 million (2020: Rupees 691.750 million).
d) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 1,772.168 million (2020: Rupees Nil).

	2021	2020
	(Rupees in thousand)	
19. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - Owned (Note 19.1)	52,462,922	53,313,404
Capital work in progress (Note 19.3)	3,441,203	1,310,566
Stores held for capitalization (Note 19.3.3)	107,942	54,047
	56,012,067	54,678,017

19.1 OPERATING FIXED ASSETS

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computers and IT installations	Furniture and fixtures	Office equipment	Vehicles	Quarry equipment	Share of joint assets	Total
	(Rupees in thousand)												
At 30 June 2019													
Cost / revalued amount	3,922,541	56,445	16,157,445	171,490	60,529,472	62,462	119,401	573,399	54,997	622,093	177,391	6,000	82,453,136
Accumulated depreciation	-	(8,989)	(3,656,116)	(87,040)	(21,962,773)	(37,836)	(95,370)	(402,462)	(32,077)	(260,319)	(155,674)	(5,806)	(26,704,462)
Net book value	3,922,541	47,456	12,501,329	84,450	38,566,699	24,626	24,031	170,937	22,920	361,774	21,717	194	55,748,674
Year ended 30 June 2020													
Opening net book value	3,922,541	47,456	12,501,329	84,450	38,566,699	24,626	24,031	170,937	22,920	361,774	21,717	194	55,748,674
Additions / transfers	-	1,288	276,081	11,119	1,100,391	400	19,807	17,184	6,899	46,813	14,853	-	1,494,835
Revaluation surplus	9,053	-	-	-	-	-	-	-	-	-	-	-	9,053
Disposals:													
Cost / revalued amount	-	-	-	-	(181,709)	-	(502)	-	-	(47,355)	-	-	(229,566)
Accumulated depreciation	-	-	-	-	128,726	-	351	-	-	30,126	-	-	159,203
	-	-	-	-	(52,983)	-	(151)	-	-	(17,229)	-	-	(70,363)
Depreciation charge	-	(358)	(700,299)	(3,749)	(3,041,213)	(1,516)	(8,076)	(35,728)	(2,516)	(62,368)	(12,972)	-	(3,868,795)
Closing net book value	3,931,594	48,386	12,077,111	91,820	36,572,894	23,510	35,611	152,393	27,303	328,990	23,598	194	53,313,404
At 30 June 2020													
Cost / revalued amount	3,931,594	57,733	16,433,526	182,609	61,448,154	62,862	138,706	590,583	61,896	621,551	192,244	6,000	83,727,458
Accumulated depreciation	-	(9,347)	(4,356,415)	(90,789)	(24,875,260)	(39,352)	(103,095)	(438,190)	(34,593)	(292,561)	(168,646)	(5,806)	(30,414,054)
Net book value	3,931,594	48,386	12,077,111	91,820	36,572,894	23,510	35,611	152,393	27,303	328,990	23,598	194	53,313,404
Year ended 30 June 2021													
Opening net book value	3,931,594	48,386	12,077,111	91,820	36,572,894	23,510	35,611	152,393	27,303	328,990	23,598	194	53,313,404
Additions / transfers	-	-	772,741	19,734	1,795,865	20,296	14,190	65,285	10,012	95,492	-	-	2,793,615
Revaluation surplus	28,730	-	-	-	-	-	-	-	-	-	-	-	28,730
Disposals:													
Cost / revalued amount	-	-	-	-	(382,014)	-	(1,028)	-	-	(37,808)	-	-	(420,850)
Accumulated depreciation	-	-	-	-	244,528	-	632	-	-	18,553	-	-	263,713
	-	-	-	-	(137,486)	-	(396)	-	-	(19,255)	-	-	(157,137)
Depreciation charge	-	(369)	(776,024)	(4,678)	(2,621,402)	(2,373)	(11,410)	(31,857)	(3,074)	(61,263)	(3,240)	-	(3,515,690)
Closing net book value	3,960,324	48,017	12,073,828	106,876	35,609,871	41,433	37,995	185,821	34,241	343,964	20,358	194	52,462,922
At 30 June 2021													
Cost / revalued amount	3,960,324	57,733	17,206,267	202,343	62,862,005	83,158	151,868	655,868	71,908	679,235	192,244	6,000	86,128,953
Accumulated depreciation	-	(9,716)	(5,132,439)	(95,467)	(27,252,134)	(41,725)	(113,873)	(470,047)	(37,667)	(335,271)	(171,886)	(5,806)	(33,666,031)
Net book value	3,960,324	48,017	12,073,828	106,876	35,609,871	41,433	37,995	185,821	34,241	343,964	20,358	194	52,462,922
Depreciation rate (%)	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	

19.1.1 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 2021. Book value of freehold land on cost basis is Rupees 160.105 million (2020: Rupees 160.105 million) as on 30 June 2021. Had there been no revaluation, the value of freehold land would have been lower by Rupees 2,608.182 million (2020: Rupees 2,579.452 million). Forced sale value of freehold land of the Holding Company at 30 June 2021 was Rupees 2,353.044 million (2020: Rupees 2,328.623 million). Freehold land of MLCFL was revalued by Arif Evaluators as at 30 June 2020, Had there been no revaluation, the net book value of freehold land of MLCFL would have been Rupees 822.154 million (2020: Rupees 822.154 million). Forced sale value at 30 June 2021 was Rupees 953.630 million (2020: Rupees 953.630 million).

19.1.2 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.

	Note	2021	2020
		(Rupees in thousand)	

19.1.3 Depreciation charged during the year has been allocated as follows:

	Note	2021	2020
Cost of sales	35	3,397,816	3,766,128
Distribution cost	36	7,109	6,690
Administrative expenses	37	110,765	95,977
		3,515,690	3,868,795

19.1.4 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
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
Iskanderabad, District Mianwali	Manufacturing facilities and offices	1,268.13
		1,472.64

19.2 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							
Carding Crossrol MK-6	14,195	10,403	3,792	7,720	3,928	Negotiation	Ideal Trading Company, Faisalabad
Schlafhorst Auto Winder RM-338	11,642	8,630	3,012	3,453	441	Negotiation	Crescent Cotton Mill Limited, Faisalabad
Schlafhorst Auto Winder RM-338	22,855	17,019	5,836	4,566	(1,270)	Negotiation	Husnain Textile Mills (Private) Limited, Lahore
Comber Rieter E-60 Model-1995	2,203	764	1,439	1,752	313	Negotiation	AN Textile Mills Limited, Faisalabad
Rieter Draw Frame RSB D-30 & SB-2	10,474	8,393	2,081	6,039	3,958	Negotiation	Quetta Textile Mills Limited, Karachi
Rieter Draw Frame Rsb D-30	3,548	2,736	812	2,772	1,960	Negotiation	Asher Imran Spinning Mills (Private) Limited, Lahore
Carding Crosrol MK-6	5,291	3,791	1,500	2,180	680	Negotiation	Shakarganj Limited, Lahore
Mk-7 Cards Crosrol	30,555	11,483	19,072	19,110	38	Negotiation	Paradise Spinning Mills (Private) Limited, Faisalabad
Auto Cone Winder Savio Orion-M	9,068	6,718	2,350	2,200	(150)	Negotiation	HIK Textiles (Private) Limited, Lahore
Juki - DDL-5550N - L/S	6,501	5,293	1,208	1,318	110	Negotiation	Instant Print System (Private) Limited, Islamabad
Auto Cone Winder Savio Orion-L	15,039	8,782	6,257	5,200	(1,057)	Negotiation	HIK Textiles (Private) Limited, Lahore
Boiler-Complete	7,324	6,377	947	868	(79)	Negotiation	Sanadeed Trading Company, Faisalabad
Autowinder Schlafhorst RM-338	57,267	43,476	13,791	18,865	5,074	Negotiation	Husnain Textile Mills (Private) Limited, Lahore
Delta Machine Single Needle Quilting	11,585	8,400	3,185	12,600	9,415	Negotiation	Zubaida Industry, Karachi
Charge Air Cooler 18V50 {476014 }	4,356	1,229	3,127	944	(2,183)	Auction	M/s Muhammad Hayat
Charge Air Cooler {476015}	4,419	1,246	3,173	958	(2,215)	Auction	M/s Muhammad Hayat
Variable Displacment Pump A4Vg250Ep2D1/32R-Nsd10F0	1,722	461	1,261	10	(1,251)	Auction	Retire/Disposal
Gear Box Complete Type :Mr C21 360 Uo2A (305) Ross	4,477	1,518	2,959	970	(1,989)	Auction	M/s Muhammad Hayat
Wear Segment Drg# 2.205412	4,304	2,785	1,519	4	(1,515)	Auction	Retire/Disposal
Wear Segment, 50008583, 2.205411, Xf-21 49, Atox A	6,511	4,212	2,299	14	(2,285)	Auction	Retire/Disposal
Flow Control Gate 400Mm Pneumatic Operat	873	262	611	80	(531)	Auction	Retire/Disposal
Wear Segment Kit 1.091698 Xf- 1808(8Nos)	2,999	1,248	1,751	-	(1,751)	Auction	Retire/Disposal
Brevini Gear Box Type: Sc6003 /Fs / 164.1/ 65.105	2,229	1,108	1,121	30	(1,091)	Auction	Retire/Disposal
Analyzer , Easy Line , Part No:	4,175	2,847	1,328	260	(1,068)	Auction	Retire/Disposal
Screw Conveyor	1,507	811	696	327	(369)	Auction	M/s Muhammad Hayat
Burner Pipe, Mainly Of Heat Resistant Steel, Dia	4,868	1,331	3,537	1,055	(2,482)	Auction	M/s Muhammad Hayat
Bearing Self Alligning Roller (Drg# 3541"5"23992	1,450	684	766	314	(452)	Auction	M/s Muhammad Hayat
Thrust Bearing Housing Drg#778.1678.07.0 Item Posi	6,538	3,084	3,454	1,417	(2,037)	Auction	M/s Muhammad Hayat

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Nozzle Ring Complete , Assembly Drawing 10046639 ,	7,319	5,342	1,977	1,586	(391)	Auction	M/s Muhammad Hayat
Preventive Maintenance Kit 9 Years For Frequency D	2,098	351	1,747	788	(959)	Auction	Retire/Disposal
Steel Cord Belt 550/H16/148020, Artical No. 300605	8,150	4,694	3,456	1,766	(1,690)	Auction	M/s Muhammad Hayat
Bearing Housing Dwg#10018210, Pn- 684778,Part List#	84,497	52,920	31,577	18,314	(13,263)	Auction	M/s Muhammad Hayat
Rotor For Pfister Type: Drw 4.12	3,088	1,352	1,736	88	(1,648)	Auction	Retire/Disposal
	363,127	229,750	133,377	117,568	(15,809)		
Vehicles							
Toyota GLI RI-15-899	1,890	1,167	723	1,870	1,147	Negotiation	E.F.U. General Insurance Limited, Karachi
Toyota GLI RI-16-499	1,922	1,088	834	1,900	1,066	Negotiation	E.F.U. General Insurance Limited, Karachi
Honda Vezel Hybrid AHJ-600	4,292	1,645	2,647	4,300	1,653	Negotiation	Anjum Shahzad Malik, Rawalpindi
Suzuki Cultus	1,644	591	1,053	1,300	247	Buy Back	Zeeshan Afzal Khan
AUDI Q3	6,376	2,552	3,824	6,450	2,626	Auction	Shaheen Safdar
Suzuki Cultus	1,419	544	875	1,300	425	Buy Back	Ghulam Jillani
Suzuki Cultus	1,419	662	757	1,250	493	Buy Back	Rafi Ahmed
Toyota Corolla	2,273	1,282	991	1,500	509	Buy Back	Mr. M. Ali Rehmat
Toyota Corolla	2,272	1,307	965	1,850	885	Buy Back	Aamir Ali Niazi
Suzuki Cultus	1,558	615	943	1,250	307	Buy Back	Sohaib Khakwani
Suzuki Cultus	1,419	622	797	1,406	609	Insurance Claim	EFU General Insurance Limited
Suzuki Cultus	1,419	797	622	850	228	Buy Back	Faizan Naseer
	27,903	12,872	15,031	25,226	10,195		
	391,030	242,622	148,408	142,794	(5,614)		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	29,820	21,091	8,729	17,165	8,436		
	420,850	263,713	157,137	159,959	2,822		

19.3 Capital work in progress

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
At 30 June 2019		381,355	21,806	101,056	504,217
Add: Additions during the year		519,780	1,024,729	2,393	1,546,902
Less: Transferred to operating fixed assets during the year		(234,941)	(431,046)	(74,566)	(740,553)
At 30 June 2020		666,194	615,489	28,883	1,310,566
Add: Additions during the year		1,189,661	1,665,854	1,478,067	4,333,582
Less: Transferred to operating fixed assets during the year		(792,475)	(1,306,455)	(104,015)	(2,202,945)
At 30 June 2021	19.3.1 & 19.3.2	1,063,380	974,888	1,402,935	3,441,203

19.3.1 This includes borrowing cost amounting to Rupees 22.72 million (2020: Rupees Nil) capitalized during the year.

19.3.2 The Subsidiary Company, MLCFL is in the process of setting up grey cement manufacturing Line-IV with production capacity of 7,000 metric tons per day having expected cost of Rupees 20 billion.

19.3.3 Stores held for capitalization represents capital expenditure related to MLCFL expansion projects.

	Note	2021 (Rupees in thousand)	2020
20. INVESTMENT PROPERTIES			
Opening net book value		1,792,755	1,792,755
Fair value gain	39	31,605	-
Closing net book value		1,824,360	1,792,755

20.1 The fair value of investment properties comprising land situated at Rawalpindi and Lahore have been determined by an independent valuer Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2021.

20.2 Forced sale value of these properties as at 30 June 2021 was Rupees 1,550.707 million (2020: Rupees 1,523.843 million).

20.3 Particulars of investment properties are as follows:

Description	Address	Total Area (Acres)	Covered Area (Sqr feet)
Land	Peshawar Road, Rawalpindi	43.95	-
Land & building	42-Lawrence Road, Lahore	4.70	26,059
		48.65	26,059

	Note	2021	2020
		(Rupees in thousand)	

21. INTANGIBLES - computer softwares

	Note	2021	2020
Intangible assets	21.1	6,018	9,024

21.1 Intangible assets

		2021	2020
At beginning of the year		83,885	83,885
Additions during the year		-	-
At end of the year		83,885	83,885
Accumulated amortization			
At beginning of the year		74,861	70,355
Amortization for the year		3,006	4,506
At end of the year		77,867	74,861
Net book value		6,018	9,024
Amortization rate per annum		33%	33%

21.2 Amortization charged for the year has been allocated as follows:

	Note	2021	2020
Cost of sales	35	1,110	1,664
Administrative expenses	37	1,896	2,842
		3,006	4,506

22. LONG TERM LOANS TO EMPLOYEES - Secured

	Note	2021	2020
House building		7,101	11,360
Vehicles		2,021	1,995
Others		18,874	17,350
		27,996	30,705
Less: Current portion shown under current assets	28	(10,992)	(11,509)
		17,004	19,196

22.1 These loans are secured against employees' retirement benefits and carry interest at the rates ranging from 6.00% (2020: 6.00%) per annum. These loans are recoverable in 30 to 60 monthly installments.

22.2 These include loans to executives amounting to Rupees 6.08 million (2020: Rupees 10.72 million) which further include loan to key management personnel (Muhammad Basharat) amounting to Rupees 2.2 million (2020: Rupees 5.5 million). The maximum aggregate amount outstanding from key management personnel (Muhammad Basharat) at any time during the year calculated with reference to month end balance is Rupees 5.2 million (2020: Rupees 8.6 million). Further, no amount is due from Directors and Chief Executive at the year end (2020: Rupees Nil).

	Note	2021	2020
		(Rupees in thousand)	
23. LONG TERM INVESTMENTS			
Equity instruments - fair value through other comprehensive income			
- Block Tech Limited - unquoted	23.1	7,000	-
- Universal Network Systems Limited - unquoted	23.2	46,286	-
Advance for purchase of shares	23.3 & 23.4	104,124	42,000
		157,410	42,000

23.1 The Subsidiary Company, MLCL has made an initial investment of Rupees 7.000 million by subscribing 700,000 ordinary shares of Rupees 10 each in BlockTech Limited. This represents 28 percent of total issued and subscribed share capital of the investee company. Subsequent to the reporting date, the Subsidiary Company has disposed of its 13 percent stake of investment by way of surrendering 325,000 ordinary shares of the investee company at a consideration of Rupees 3.250 million. One of the Company' employee is on the board of directors of the investee company; therefore, it is concluded that the Company has no significant role in policy-making process including decisions about dividends or other distributions from investee company. The investee company has not yet started its operations; hence, cost of investment is considered as an appropriate estimate of fair value as on the reporting date.

23.2 The Subsidiary Company, MLCL has entered into an agreement for investment of Rupees 46.286 million by subscribing 1,028,571 ordinary shares of Rupees 10 each in Universal Network Systems Limited. This represents 5 percent of total issued and subscribed share capital of the investee company. Shares of the investee company have been transferred in the CDC account of the Subsidiary Company. The Subsidiary Company has invested at Rupees 45 per share which is at 10 percent discount to the IPO price going to be held by 30 September 2021. In case of failure of IPO, the aforesaid agreement will be terminated. Consideration of this investment will be paid at the time of IPO. The Subsidiary Company cannot divest its investment without the approval of the existing shareholders of the investee company. However, once the IPO is concluded, the Subsidiary Company will have the option of putting its entire shareholding, from the 6th to 18th month commencing from the date of IPO, for sale at a premium of 25 percent IRR annualized on investment amount calculated from the date of payment. As on the reporting date, the investee company is an un-quoted company, hence, the aforesaid price per share is considered as fair value being considered an orderly transaction between market participants at the measurement date.

23.3 This represents advance given by Subsidiary Company, MLCL to Convenience Stores (Private) Limited and Ah-Brigelinx Solutions (Private) Limited for purchase of shares.

23.4 As on 07 June 2021, the Subsidiary Company, MLCL has entered into an agreement with AH-Bridgelinx Solutions (Private) Limited (incorporated under the laws of Pakistan) and BridgeLinx Technologies PTE Ltd (incorporated under the laws of Singapore). The Subsidiary Company has agreed to make an investment of US Dollars 400,000 in Pak Rupees equivalent in the designated bank account of AH-Bridgelinx Solutions (Private) Limited on 08 June 2021. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act,1947, the Subsidiary Company will take up shares of BridgeLinx Technologies PTE Ltd. AH-Bridgelinx Solutions (Private) Limited will issue shares of the equivalent value in favour of BridgeLinx Technologies PTE Ltd and in consideration of those shares, BridgeLinx Technologies PTE Ltd will issue shares of equal value in favour of the Subsidiary Company. This investment is subject to the compliance with the applicable laws of Pakistan, applicable laws of Singapore and approval from State Bank of Pakistan under forex laws of Pakistan. In case of refusal from State Bank of Pakistan, the entire amount in Pak Rupees will be returned to the Subsidiary Company.

24. LONG TERM DEPOSITS

These include deposits with various utility companies, regulatory authorities and others.

	Note	2021	2020
		(Rupees in thousand)	
25. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	25.1	6,395,503	5,173,261
Spare parts		4,282,236	4,234,245
Loose tools		185,233	165,249
		10,862,972	9,572,755
Less: Provision against slow moving stores, spare parts and loose tools		(3,772)	(3,772)
		10,859,200	9,568,983

25.1 This includes stores in transit of Rupees 1,262.719 million (2020: Rupees 1,526.205 million).

	Note	2021	2020
		(Rupees in thousand)	
26. STOCK-IN-TRADE			
Raw materials	26.1 & 26.3	2,312,391	2,767,098
Packing materials		231,303	209,413
Work-in-process		2,160,126	1,903,951
Finished goods	26.2	1,358,805	2,265,560
		6,062,625	7,146,022
Provision against obsolete stock-in-trade		(3,904)	(3,904)
		6,058,721	7,142,118

26.1 Raw materials and finished goods include stock in transit of Rupees 17.094 million (2020: Rupees 7.060 million) and Rupees 39.851 million (2020: Rupees 9.720 million) respectively.

26.2 Finished goods of Rupees 91.276 million (2020: Rupees 68.273 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 3.039 million (2020: Rupees 3.417 million).

26.3 Raw materials include stock amounting to Rupees 23.897 million (2020: Rupees 149.814 million) with external parties.

27. TRADE DEBTS

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Considered good:			
Secured (against letters of credit)		1,964,783	1,204,650
Unsecured		3,348,615	4,443,490
		5,313,398	5,648,140
Less: Allowance for expected credit losses	27.2	(366,280)	(234,626)
		4,947,118	5,413,514

27.1 Holding Company recognized revenue from the sale of goods at the time of delivery, while payment is generally due with in 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

27.2 Allowance for expected credit losses

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Opening balance		234,626	190,835
Recognized during the year	38	131,654	43,791
Balance at end of year		366,280	234,626

27.3 As at 30 June 2020, trade debts of Rupees 1,940.690 million (2020: Rupees 3,139.236 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 aging analysis of these trade debts is as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Upto 1 month	835,600	1,542,432
1 to 6 months	717,401	1,029,782
More than 6 months	387,689	567,022
	1,940,690	3,139,236

27.4 Default is triggered when more than 360 days have passed. As at the reporting date there were no defaulting parties of outstanding trade debts from export sales.

27.5 The majority of export debts of the Group are situated in Asia, Europe and America.

	Note	2021	2020
		(Rupees in thousand)	

28. LOANS AND ADVANCES - Unsecured, considered good

	Note	2021	2020
Loans and advances to employees:	28.1		
- Executives	28.2	4,168	11,719
- Other employees		8,569	9,987
- Current portion of long term loans to employees	22	10,992	11,509
		23,729	33,215
Government Authorities:			
- Collector of customs	28.3	206,118	219,868
- Refunds from Government	28.4	16,797	16,797
		222,915	236,665
Advances to suppliers	28.5	694,821	506,684
Letters of credit		162,909	22,384
		1,104,374	798,948

28.1 These advances are not carried at amortized cost as the impact was considered immaterial.

28.2 This includes loan to key management personnel (Amir Feroze) amounting to Rupees 3.05 million (2020: Rupees 3.37 million). The maximum aggregate amount outstanding from key management personnel (Amir Feroze) at any time during the year calculated with reference to month end balance is Rupees 3.05 million (2020: Rupees 3.37 million). Further, no amount is due from Directors and Chief Executive at the year end (2020: Rupees Nil).

28.3 This includes Rupees 180 million paid by MLCFL under protest as disclosed in note 18.1 (c) to these consolidated financial statements.

28.4 This represents amount paid to Government under protest for various cases which have been decided in favor of MLCFL.

28.5 This includes an amount of Rupees 103.59 million (2020: Rupees 78.56 million) advanced to Ministry of Railways for transportation of coal and cement.

	2021	2020
	(Rupees in thousand)	

29. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

	2021	2020
Short term deposit	-	200
Margin against:		
- Letters of credit	5,942	20,523
- Bank guarantees	231,035	166,205
Prepayments	20,258	17,570
	257,235	204,498

	Note	2021	2020
		(Rupees in thousand)	

30. OTHER RECEIVABLES

Considered good:			
Sales tax refundable		735,009	453,366
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		43,848	33,529
Duty draw back receivable		487,117	235,640
Margin deposits with brokers		234,167	3,552
Dividend receivable		2,216	282
Accrued interest		6,136	3,384
Others		64,023	42,706
		1,592,142	792,085

31. TAXATION - NET

Balance as at 01 July		1,012,570	542,137
Add: Tax deducted at source / paid during the year		1,931,266	1,352,085
Less: Provision for the year		(1,213,328)	(582,734)
Less: Provision for worker's welfare fund		(160)	-
Less: Tax refunds received during the year		(366,170)	(298,918)
Balance as at 30 June		1,364,178	1,012,570

32. SHORT TERM INVESTMENTS

FINANCIAL INSTRUMENTS			
Debt instruments			
Investment - Amortized cost	32.1	228,366	132,797
Equity instruments			
Investments - Fair value through profit or loss	32.2	9,728,127	3,771,844
Advance against purchase of shares	32.3	108,528	-
		10,065,021	3,904,641

32.1 Debt instruments - amortized cost

Holding Company			
Term deposit receipts	32.1.1	133,866	82,797
Subsidiary Company - MLCFL			
Term deposit receipts	32.1.2	94,500	50,000
		228,366	132,797

32.1.1 This represents term deposit receipts of United Bank Limited having maturity period of one year and carrying profit at effective rate of 6.50% (2020: 6.25%). It is under lien with the bank against guarantees given on behalf of the Holding Company.

32.1.2 This represents term deposit receipts having maturity period of one year starting from 22 September 2020 and 15 April 2021 carrying a mark-up at the rate of 7.20% and 6.50% per annum respectively.

32.2 Investments-Fair Value through profit or loss

	2021 Carrying value	2021 Unrealized gain / (loss)	2021 Market value	2020 Carrying value	2020 Unrealized gain / (loss)	2020 Market value
	- - - - - - - - - - - - (Rupees in thousand) - - - - - - - - - - - -					
Subsidiary Company - MLCL						
Mutual funds						
ABL Cash Fund Nil (2020: 281,699) units	-	-	-	2,864	3	2,867
Alfalah GHP Sovereign Fund Nil (2020: 1,257) units	-	-	-	134	-	134
Faysal Money Market Fund Nil (2020: 986,594) units	-	-	-	100,345	160	100,505
NAFA Money Market Fund 161,252 (2020: 0) units	1,594	3	1,596	-	-	-
HBL Government Securities Fund Nil (2020: 1,221) units	-	-	-	130	7	137
HBL Money Market Fund Nil (2020: 139,514) units	-	-	-	14,259	21	14,280
Primus Income Fund Nil (2020: 1,256) units	-	-	-	133	1	134
UBL Money Market Fund Nil (2020: 1,287) units	-	-	-	129	-	129
UBL Cash Fund Nil (2020: 567) units	-	-	-	2	55	57
HBL Growth Fund - Class A 1 (2020: 1) units	-	-	-	-	-	-
HBL Growth Fund - Class B 1 (2020: 1) units	-	-	-	-	-	-
First Habib Cash Fund Nil (2020: 2,009,208) units	-	-	-	200,721	963	201,684
	1,594	3	1,596	318,717	1,210	319,927
Shares in listed companies						
Worldcall Telecom Limited 50,500,001 (2020: 1) fully paid ordinary shares of Rupees 10 each	179,252	20,728	199,980	-	-	-
HUM Network Limited 30,232,501 (2020: 1) fully paid ordinary shares of Rupees 10 each	217,750	24,715	242,465	-	-	-
Pioneer Cement Limited 24,609,001 (2020: 22,520,001) fully paid ordinary shares of Rupees 10 each	1,616,880	1,608,622	3,225,502	1,156,872	262,789	1,419,661
TRG Pakistan Limited - Class 'A' 20,108,633 (2020: 1) fully paid ordinary shares of Rupees 10 each	2,545,763	798,906	3,344,669	-	-	-
Flying Cement Company Limited 4,060,001 (2020: 1) fully paid ordinary shares of Rupees 10 each	93,200	(6,803)	86,397	-	-	-
Nishat Chunian Power Limited 4,020,501 (2020: 1) fully paid ordinary shares of Rupees 10 each	79,088	(18,700)	60,388	-	-	-
Pakistan Telecommunication Company Limited 3,500,001 (2020: 1) fully paid ordinary shares of Rupees 10 each	36,882	4,558	41,440	-	-	-
Attock Refinery Limited 3,223,501 (2020: 1) fully paid ordinary shares of Rupees 10 each	849,436	(22,770)	826,666	-	-	-
Images Pakistan Limited (Formerly Tri-Star Polyester Limited) 1,930,001 (2020: 1) fully paid ordinary shares of Rupees 10 each	53,745	(2,117)	51,628	-	-	-
Systems Limited 1,675,421 (2020: 920,001) fully paid ordinary shares of Rupees 10 each	355,578	583,026	938,604	151,838	17,147	168,985
Honda Atlas Cars (Pakistan) Limited 576,901 (2020: 1) fully paid ordinary shares of Rupees 10 each	222,982	(23,501)	199,481	-	-	-
Lucky Cement Limited 464,754 (2020: 623,695) fully paid ordinary shares of Rupees 10 each	367,403	33,885	401,288	293,268	(5,383)	287,885
Pak Suzuki Motor Company Limited 150,001 (2020: 1) fully paid ordinary shares of Rupees 10 each	54,859	(1,542)	53,317	-	-	-
Orix Leasing Pakistan Limited 75 (2020: 72) fully paid ordinary shares of Rupees 10 each	2	-	2	-	-	-
Other listed companies 375 (2020: 6,763,534) fully paid o rdinary shares of Rupees 10 each	45	11	56	1,429,014	121,127	1,550,141
	6,672,865	2,999,018	9,671,883	3,030,992	395,680	3,426,672
Subsidiary Company - MLCFL						
Shares in listed company						
Next Capital Limited 1,500,000 (2020: 1,500,000) fully paid ordinary shares of Rupees 10 each, 1,875,000 (2020: 1,875,000) fully paid right shares of Rupees 8 each and 337,500 (2020: Nil) bonus shares having Market value of Rs. 14.72 per share (2020: Rs. 7.48 per share)	30,000	24,648	54,648	30,000	(4,755)	25,245
	6,704,459	3,023,669	9,728,127	3,379,709	392,135	3,771,844

32.2.1 Following shares are pledged against running finance facilities obtained by MLCL from the banking companies:

	2021	2020
	(Rupees in thousand)	
Attock Refinery Limited	2,213,500	-
Lucky Cement Limited	464,500	-
Nishat Chunian Power Limited	4,020,500	-
Pioneer Cement Limited	3,000,000	-
Systems Limited	1,360,000	-
TRG Pakistan Limited	8,306,500	-

32.3 Advance against purchase of shares

This represents advance paid to Topline Securities Limited by MLCL against purchase of shares of Citi Pharma Limited under book building process. Against this advance, 3,391,500 shares of the investee company have been allotted at strike price of Rupees 32 per share through book building process. Shares have been transferred into the CDC account of the MLCL as on 07 July 2021. Subsequent to the reporting date, trading of the shares of the investee company has been started on 09 July 2021 on Pakistan Stock Exchange Limited (PSX). The investee company was not listed on PSX as on the reporting date; hence, aforesaid strike price is considered as fair value.

33. CASH AND BANK BALANCES

	Note	2021	2020
		(Rupees in thousand)	
Cash in hand		6,819	13,820
Cash at bank:			
- On current accounts	33.1	430,004	688,931
- On saving accounts	33.2 & 33.3	407,216	692,732
		837,220	1,381,663
		844,039	1,395,483

33.1 The balances in current and deposit accounts include USD 146,311 (2020: USD 138,606) and GBP 2,000 (2020: GBP 2,000).

33.2 The balances in saving accounts carry interest ranging from 2.34% to 6.75% (2020: 2.79% to 15.30%) per annum.

33.3 The balances in saving accounts include an amount of Rupees 15.155 million (2020: Rupees 15.155 million) held under lien against guarantees issued by the bank on behalf of the Holding Company.

	Note	2021	2020
		(Rupees in thousand)	

34. REVENUE

	Note	2021	2020
Revenue from contracts with customers:			
- Export sales		13,844,910	10,342,368
- Local sales	34.1	51,239,271	40,334,633
		65,084,181	50,677,001
Duty draw back		278,204	116,759
Export rebate		88,353	54,503
		65,450,738	50,848,263

		2021	2020
34.1	Local sales	70,135,756	61,318,024
	Less:		
	Sales tax	11,078,857	10,162,275
	Federal excise duty	7,043,999	10,040,696
	Commission	233,060	226,643
	Discount	540,569	553,777
		51,239,271	40,334,633

34.2 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)									
Primary geographical markets										
Europe	-	-	1,917,794	1,639,883	2,027,775	3,363,884	-	-	3,945,569	5,003,767
United States of America and Canada	-	-	162,987	-	4,887,395	3,158,376	-	-	5,050,382	3,158,376
Asia, Africa, Australia	-	-	260,652	10,765	2,692,959	1,009,225	1,895,348	1,160,235	4,848,959	2,180,225
Pakistan	14,463,555	10,279,559	2,998,046	2,074,595	177,805	137,261	33,599,865	27,843,218	51,239,271	40,334,633
Export rebate and duty draw back	-	-	-	-	366,557	171,262	-	-	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	65,450,738	50,848,263
Major product / service lines										
Yarn	14,393,124	10,156,699	-	-	-	-	-	-	14,393,124	10,156,699
Greige fabric	-	-	5,339,479	3,725,243	-	-	-	-	5,339,479	3,725,243
Made-ups	-	-	-	-	9,229,624	7,285,754	-	-	9,229,624	7,285,754
Finished fabric	-	-	-	-	492,058	341,443	-	-	492,058	341,443
Processing income	-	-	-	-	21,654	11,956	-	-	21,654	11,956
Cement	-	-	-	-	-	-	35,495,213	29,003,453	35,495,213	29,003,453
Waste	70,431	122,860	-	-	42,598	29,593	-	-	113,029	152,453
Export rebate and duty draw back	-	-	-	-	366,557	171,262	-	-	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	65,450,738	50,848,263
Revenue from contracts with customers	14,463,555	10,279,559	5,339,479	3,725,243	9,785,934	7,668,746	35,495,213	29,003,453	65,084,181	50,677,001
Export rebate and duty draw back	-	-	-	-	366,557	171,262	-	-	366,557	171,262
	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	65,450,738	50,848,263
Timing of revenue recognition										
Products transferred at a point in time	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	65,450,738	50,848,263
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
External revenue as reported	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	65,450,738	50,848,263

Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

	Note	2021	2020
		(Rupees in thousand)	

35. COST OF SALES

	Note	2021	2020
Raw materials consumed	35.1	16,534,070	14,154,167
Salaries, wages and other benefits	35.2	3,413,753	3,261,295
Processing charges		44,409	61,487
Stores, spare parts and loose tools consumed		2,971,284	2,468,258
Packing materials consumed		3,642,008	3,767,692
Freight and forwarding		543,688	557,435
Fuel and power		17,766,982	17,976,739
Repair and maintenance		517,269	572,008
Insurance		116,890	134,267
Other factory overheads	35.3	397,681	537,864
Amortization	21.2	1,110	1,664
Depreciation	19.1.3	3,397,816	3,766,128
		49,346,960	47,259,004
Work-in-process			
Opening stock		1,903,951	1,728,160
Closing stock		(2,160,126)	(1,903,951)
		(256,175)	(175,791)
Cost of goods manufactured		49,090,785	47,083,213
Finished goods			
Opening stock		2,265,560	1,159,422
Closing stock		(1,358,805)	(2,265,560)
		906,755	(1,106,138)
Cost of sales		49,997,540	45,977,075

35.1 Raw materials consumed

	2021	2020
Opening stock	2,767,098	2,484,993
Add: Purchased during the year	16,079,363	14,436,272
	18,846,461	16,921,265
Less: Closing stock	(2,312,391)	(2,767,098)
	16,534,070	14,154,167

35.2 Salaries, wages and other benefits include provident fund contribution of Rupees 108.365 million (2020: Rupees 103.757 million), gratuity and compensated absences amounting to Rupees 32.693 million (2020: Rupees 43.221 million).

35.3 Other factory overheads include housing colony expenses aggregating to Rupees 64.33 million (2020: Rupees 88.17 million).

	Note	2021	2020
		(Rupees in thousand)	

36. DISTRIBUTION COST

	Note	2021	2020
Salaries and other benefits	36.1	345,550	293,898
Outward freight and handling		69,818	30,975
Clearing and forwarding		838,319	427,315
Commission to selling agents		157,918	209,315
Travelling and conveyance		124,154	112,489
Insurance		13,750	5,094
Vehicles' running		40,042	35,215
Electricity, gas and water		3,090	2,458
Postage, telephone and fax		8,987	10,020
Sales promotion and advertisement		503,020	403,633
Depreciation	19.1.3	7,109	6,690
Miscellaneous		222,365	101,565
		2,334,122	1,638,667

36.1 Salaries and other benefits include provident fund contribution of Rupees 15.345 million (2020: Rupees 11.657 million), gratuity and compensated absences amounting to Rupees 2.90 million (2020: Rupees 2.49 million).

	Note	2021	2020
		(Rupees in thousand)	

37. ADMINISTRATIVE EXPENSES

	Note	2021	2020
Salaries and other benefits	37.1	853,564	773,491
Travelling and conveyance		89,468	99,000
Repair and maintenance		36,113	59,152
Rent, rates and taxes		25,589	19,061
Insurance		13,137	17,600
Vehicles' running		58,861	46,807
Printing, stationery and periodicals		33,949	30,130
Electricity, gas and water		10,302	8,563
Postage, telephone and fax		26,365	26,379
Legal and professional		109,931	117,434
Security, gardening and sanitation		39,902	40,835
Amortization	21.2	1,896	2,842
Depreciation	19.1.3	110,765	95,977
Miscellaneous		188,323	182,703
		1,598,165	1,519,974

37.1 Salaries and other benefits include provident fund contribution of Rupees 27.416 million (2020: Rupees 22.222 million), gratuity and compensated absences amounting to Rupees 6.466 million (2020: Rupees 8.483 million).

	Note	2021	2020
		(Rupees in thousand)	

38. OTHER EXPENSES

	Note	2021	2020
Auditor's remuneration	38.1	9,583	7,950
Donations	38.2	47,214	114,895
Workers' profits participation fund	13.2	432,966	163,283
Workers welfare fund		150,700	38,330
Advances written off		18,335	7,755
Unrealised loss on re-measurement of futures contracts - shares		59,915	-
Loss on trading in gold futures contracts - net		-	26,689
Loss on trading in shares futures contracts - net		-	816,339
Loss on sale of quoted shares - net		-	329,742
Loss on trading in oil futures contracts - net		-	83,741
Exchange loss - net		23,847	-
Bad debts written off	38.3	46,355	5,643
Allowance for expected credit losses	27.2	131,654	43,791
Impact of de-recognition of financial instrument carried at amortized cost		-	19
Miscellaneous		21,161	-
		941,730	1,638,177

38.1 Auditors' remuneration

	2021	2020
Riaz Ahmad and Company		
Audit fee	2,950	2,750
Certifications	-	150
Reimbursable expenses	485	454
	3,435	3,354
KPMG Taseer Hadi and Company		
Audit fee	2,360	2,298
Interim review	540	540
Taxation services	2,258	-
Other certifications	315	1,100
Reimbursable expenses	675	658
	6,148	4,596
	9,583	7,950

	2021	2020
	(Rupees in thousand)	
38.2 Donations for the year have been given to:		
Gulab Devi Chest Hospital, Lahore	26,688	97,083
Prime Minister fund for COVID-19.	-	500
Bushra Shaheen	-	225
Maple CSR Initiative as per DC Office requirement	4,223	6,060
Auditorium at Police Public School	1,500	3,500
Speed Monitoring System	-	2,000
Food Hampers Covid-19	-	2,000
Road Safety Campaign DPO Mianwali	150	500
Financial assistance for the training certification program	-	315
City Entrance Wall Monument & Globe	-	119
Beacon House National University	-	706
Rescue Office 1122	58	-
Daudkhel Police Station	3,500	-
Daud Khel water supply project	72	1,314
World Wildlife Fund - Pakistan	-	150
Pakistan Stock Exchange	-	100
TFT GT (Private) Limited	-	300
Housing Colony Water Turbine	2,000	-
Eduljee Dinshaw Road Project Trust	150	-
Miscellaneous	8,873	23
	47,214	114,895

38.2.1 None of the directors and their spouses have any interest in the donee's fund.

	2021	2020
	(Rupees in thousand)	
38.3 The details of defaulting parties out of total export debtors of MLCFL and default (write off) amounts are as follows:		
Balaji Bricks - Republic of India	4	-
Kirubai Agencies - Republic of India	9	-
Ludhiana Cement Corporation - Republic of India	24	-
Parth Impex - Republic of India	45	-
SSB Enterprises - Republic of India	20	-
R.K & Sons - Republic of India	1	-
Abhishek Trading Co. - Republic of India	1	-
Indian Trading Company - Republic of India	1	-
	105	-

38.3.1 Neither of these parties are related parties.

	Note	2021	2020
		(Rupees in thousand)	

39. OTHER INCOME

	Note	2021	2020
Income from financial assets:			
Exchange gain - net		-	35,501
Gain on sale of quoted shares - net		1,298,830	-
Return on bank deposits		36,510	101,099
Long outstanding liabilities written back		250	111
Unrealised gain on re-measurement of investments at FVTPL		3,028,424	404,248
Gain on redemption of units of mutual funds - net		653	67,883
Gain on trading in shares futures contracts - net		425,001	-
Return on term deposit receipts		6,242	12,253
Interest on loans to employees		398	696
Dividend income		177,611	150,860
		4,973,919	772,651
Income from non-financial assets:			
Scrap sales		80,214	51,150
Gain on trading in physical gold - net		-	38,143
Gain on disposal of property, plant and equipment	19.2	2,822	30,269
Gain on remeasurement of investment properties	20	31,605	-
Gain on remeasurement of GIDC payable	8	50,596	-
Gain on sale of stores, spare parts and loose tools		-	814
Miscellaneous		38,632	38,807
		203,869	159,183
		5,177,788	931,834

40. FINANCE COST

	Note	2021	2020
Mark-up / finance charges / interest on:			
Long term financing		1,054,636	2,067,297
Short term borrowings		815,979	1,419,964
Unwinding interest - Retention money payable		25,625	-
Unwinding of discount on GIDC payable	8	33,968	-
Workers' profits participation fund	13.2	10,172	14,524
		1,940,380	3,501,785
Bank charges and commission		122,093	96,542
		2,062,473	3,598,327

41. TAXATION

	Note	2021	2020
Current tax:			
- Current year		1,293,969	508,675
- Prior year		(80,641)	74,059
		1,213,328	582,734
Deferred tax	12	1,427,533	(579,418)
		2,640,861	3,316

	2021	2020
	(Rupees in thousand)	

41.1 Reconciliation of tax charge for the year

	2021	2020
Profit / (loss) before tax	13,694,496	(2,592,123)
Tax on profit @ 29% (2020: 29%)	3,971,404	(751,716)
Tax effect of lower rate on certain income / expenses	(151,667)	764,397
Tax effect of exempt income / permanent differences	(1,202,723)	(58,699)
Tax effect of change in proportion of local and export sales	50,556	-
Tax effect of prior year adjustment	(80,641)	74,059
Others	53,932	(24,725)
	2,640,861	3,316

42. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2021	2020
Profit / (loss) attributable to ordinary shareholders of the Holding Company	(RUPEES IN THOUSAND)	8,459,564	(992,306)
Weighted average number of ordinary shares	(NUMBERS)	299,296,456	299,296,456
Earnings / (loss) per share	(RUPEES)	28.26	(3.32)

43. CASH GENERATED FROM OPERATIONS

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Profit / (loss) before taxation		13,694,496	(2,592,123)
Adjustment for non-cash charges and other items:			
Depreciation		3,515,690	3,868,795
Amortization		3,006	4,506
Finance cost		2,062,473	3,598,327
Gain on sale of property, plant and equipment		(2,822)	(30,269)
Dividend income		(177,611)	(150,860)
Allowance for expected credit losses		131,654	43,791
Impact of de-recognition of financial instrument carried at amortized cost		-	19
Return on term deposit receipts		(6,242)	(12,253)
Gain on remeasurement of investment properties		(31,605)	-
Long outstanding liabilities written back		(250)	-
Gain on remeasurement of GIDC payable		(50,596)	-
Unrealized loss on re-measurements of forward contracts - shares		59,915	-
Gain on trading in physical gold - net		-	(38,143)
Advances written off		18,335	7,755
Bad debts written off		46,355	5,643
Employees' retirement benefits		42,056	54,192
Return on bank deposits		(36,510)	(101,099)
Working capital changes	43.1	(6,959,054)	(2,064,574)
		12,309,290	2,593,707

	2021	2020
	(Rupees in thousand)	

43.1 Working capital changes

	2021	2020
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(1,290,217)	(1,562,475)
Stock-in-trade	1,083,397	(1,588,757)
Trade debts	288,387	(1,235,314)
Loans and advances	(323,761)	380,569
Security deposits and short term prepayments	(52,737)	9,616
Short term investments	(5,873,892)	563,280
Other receivables	(795,371)	57,819
	(6,964,194)	(3,375,262)
Increase in trade and other payables	5,140	1,310,688
	(6,959,054)	(2,064,574)

43.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2021				
	Liabilities from financing activities				
	Long term financing	Deferred government grants	Short term borrowings	Unclaimed dividend	Total
	(RUPEES IN THOUSAND)				
Balance as at 01 July 2020	15,299,341	-	14,215,726	77,822	29,592,889
Proceeds from long term financing	2,579,571	-	-	-	2,579,571
Repayment of long term financing	(419,316)	-	-	-	(419,316)
Grant received during the year	-	249,636	-	-	249,636
Amortisation of deferred government grant during the year	88,456	(88,456)	-	-	-
Short term borrowings - net	-	-	(5,135,450)	-	(5,135,450)
Dividend declared	-	-	-	598,592	598,592
Dividend paid	-	-	-	(617,688)	(617,688)
Balance as at 30 June 2021	17,548,052	161,180	9,080,276	58,726	26,848,234

	2020				
	Liabilities from financing activities				
	Long term financing	Deferred government grants	Short term borrowings	Unclaimed dividend	Total
	(RUPEES IN THOUSAND)				
Balance as at 01 July 2019	19,252,080	-	7,834,559	64,148	27,150,787
Proceeds from long term financing	1,414,291	-	-	-	1,414,291
Repayment of long term financing	(5,367,030)	-	-	-	(5,367,030)
Short term borrowings - net	-	-	6,381,167	-	6,381,167
Dividend declared	-	-	-	656,697	656,697
Dividend paid	-	-	-	(643,023)	(643,023)
Balance as at 30 June 2020	15,299,341	-	14,215,726	77,822	29,592,889

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 Chief Executive Officers, Directors and Executives of the Group are given below:

	Chairman		Chief Executive Officers		Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in Thousand)							
Managerial remuneration	32,625	30,450	73,080	67,658	41,363	34,532	395,047	290,178
Allowances	-	-	-	-	-	-	23	17
House rent	7,425	6,930	14,732	14,306	2,954	3,059	104,914	81,830
Conveyance	-	-	1,627	2,233	914	973	25,189	20,795
Medical	-	-	1,980	1,980	1,362	1,088	17,451	14,375
Utilities	-	-	12,286	10,353	8,957	7,383	47,462	37,336
Special allowance	-	-	13,147	12,240	8,511	6,597	34,931	27,548
Contribution to provident fund	2,475	2,310	4,215	3,778	3,295	2,753	29,783	23,566
	42,525	39,690	121,067	112,548	67,356	56,385	654,800	495,645
Number of persons	1	1	4	4	3	3	154	121

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 7 (2020: 6) non-executive directors was Rupees 664,998 (2020: Rupees 451,110).

No remuneration was paid to non-executive directors of the Group.

45. TRANSACTIONS WITH RELATED PARTIES

	2021	2020
	(Rupees in thousand)	
Key management personnel		
Remuneration and other benefits	196,694	181,787
Post employment benefit plan		
Contribution to provident fund	240,813	240,624
Contribution to gratuity fund	36,550	21,343

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (2020: 73,390,896) and 49,639,992 [16.59%] (2020: 49,639,992) ordinary shares respectively of the Holding Company on which dividend amounting to Rupees 146,781,792 (2020: Rupees 128,434,068) and Rupees 99,279,984 (2020: Rupees 86,869,986) respectively was paid during the year.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

Holding Company

SPINNING:

	2021	2020
- Rawalpindi Division	(NUMBERS)	
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 1,095 shifts (2020: 1,098 shifts)	45,337	46,185
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2020: 1,056 shifts)	41,252	36,324
	(NUMBERS)	
Rotors (average) installed / worked	2,712	2,712
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	6,037	4,514
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2020: 1,056 shifts)	5,284	3,486
- Gujar Khan Division	(NUMBERS)	
Spindles (average) installed / worked	72,864	72,864
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	41,944	41,449
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2020: 1,050 shifts)	37,773	34,382

WEAVING:

	2021	2020
- Raiwind Division	(NUMBERS)	
Looms installed / worked	288	288
	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	104,909	104,909
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2020: 939 shifts)	98,283	85,439

PROCESSING OF CLOTH :

- Rawalpindi Division	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	42,090	42,090
Actual production at 3 shifts per day for 1,095 shifts (2020: 1,098 shifts)	17,525	18,468

POWER PLANT:

- Rawalpindi Division	(MEGA WATTS)	
Annual rated capacity based on 365 days (2020: 366 days)	241,706	224,186
Actual generation		
Furnace engines	31,862	35,476
Gas engines	21,257	18,355
Solar	7,129	2,995
- Raiwind Division		
Annual rated capacity based on 365 days (2020: 366 days)	96,360	96,360
Actual generation	30,221	37,340
- Gujar Khan Division		
Annual rated capacity based on 30 days (2020: Nil days)	1,584	-
Actual generation - solar	240	-

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.

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.

		2021	2020
		(METERS IN THOUSAND)	
Subsidiary Company - MLCFL			
CEMENT:			
Clinker:			
Annual rated capacity (Based on 300 days)	46.1	5,585	5,550
Annual production for the year		4,882	4,964

46.1 Until last year, the subsidiary company, MLCFL had aggregate clinker / cement production capacity of 18,500 tons per day. The capacity as disclosed in these consolidated financial statements is worked out based on 300 working days. During the year, the subsidiary company, MLCFL increased the clinker / cement production capacity of line III from 7,300 tons per day to 7,800 tons per day due to debottlenecking and balancing, modernization and replacement program. Increase in capacity as compared to last year is due to additional capacity available from line III which was added in May 2021.

47. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(RUPEES IN THOUSAND)															
REVENUE:																
EXTERNAL	14,463,555	10,279,559	5,339,479	3,725,243	10,152,491	7,840,008	35,495,213	29,003,453	-	-	-	-	-	-	65,450,738	50,848,263
INTER-SEGMENT	806,245	1,668,855	1,531,164	1,618,914	7,764	881	144,968	114,281	-	-	4,236,412	4,716,609	(6,726,553)	(8,119,540)	-	-
	15,269,800	11,948,414	6,870,643	5,344,157	10,160,255	7,840,889	35,640,181	29,117,734	-	-	4,236,412	4,716,609	(6,726,553)	(8,119,540)	65,450,738	50,848,263
COST OF SALES	(11,661,101)	(10,034,763)	(6,070,009)	(4,828,446)	(8,436,960)	(6,280,071)	(27,446,617)	(29,525,018)	-	-	(3,109,406)	(3,428,317)	6,726,553	8,119,540	(49,997,540)	(45,977,075)
GROSS PROFIT	3,608,699	1,913,651	800,634	515,711	1,723,295	1,560,818	8,193,564	(407,284)	-	-	1,127,006	1,288,292	-	-	15,453,198	4,871,188
DISTRIBUTION COST	(44,737)	(38,707)	(133,372)	(77,448)	(1,040,281)	(705,454)	(1,115,732)	(817,058)	-	-	-	-	-	-	(2,334,122)	(1,638,667)
ADMINISTRATIVE EXPENSES	(267,920)	(231,156)	(148,429)	(144,785)	(226,774)	(226,526)	(789,006)	(747,203)	(159,360)	(163,871)	(6,676)	(6,433)	-	-	(1,598,165)	(1,519,974)
	(312,657)	(269,863)	(281,801)	(222,233)	(1,267,055)	(931,980)	(1,904,738)	(1,564,261)	(159,360)	(163,871)	(6,676)	(6,433)	-	-	(3,932,287)	(3,158,641)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,296,042	1,643,788	518,833	293,478	456,240	628,838	6,288,826	(1,971,545)	(159,360)	(163,871)	1,120,330	1,281,859	-	-	11,520,911	1,712,547
UNALLOCATED INCOME AND EXPENSES:																
FINANCE COST															(2,062,473)	(3,598,327)
OTHER EXPENSES															(941,730)	(1,638,177)
OTHER INCOME															5,177,788	931,834
TAXATION															(2,640,861)	(3,316)
															(467,276)	(4,307,986)
PROFIT / (LOSS) AFTER TAXATION															11,053,635	(2,595,439)

47.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(RUPEES IN THOUSAND)													
TOTAL ASSETS FOR REPORTABLE SEGMENT	6,987,209	6,997,298	3,619,156	3,176,202	5,555,619	4,967,109	57,278,959	56,277,833	10,848,991	4,135,872	5,435,850	6,144,653	89,725,784	81,698,967
UNALLOCATED ASSETS													5,493,366	5,184,243
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION													95,219,150	86,883,210
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.														
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	3,581,834	2,206,675	781,283	2,302,479	6,089,278	6,901,316	16,273,777	20,347,028	1,631,074	-	30,624	555,375	28,387,870	32,312,873
UNALLOCATED LIABILITIES													14,190,765	11,973,515
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION													42,578,635	44,286,388

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

47.2 Geographical Information

47.2.1 The Groups's revenue from external customers by geographical location is detailed in note 34.2 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 1,462 million (2020: Rupees 1,109 million) whereas in the Processing and Home Textile segment was Rupees 4,301 million (2020: Rupees 2,696 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.

49. NUMBER OF EMPLOYEES

	2021	2020
	Number of employees	
Number of employees as on 30 June	6,977	6,931
Average number of employees during the year	6,968	6,828

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, CHF and Yen. 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:

	2021	2020
	(Rupees in thousand)	
Cash at banks - USD	146	139
Cash at banks - GBP	2	2
Trade debts - USD	9,364	4,153
Trade debts - Euro	421	-
Trade and other payables - USD	4,151	4,370
Trade and other payables - Euro	33	61
Trade and other payables - RMB	45	-
Outstanding letters of credit - USD	393	584
Outstanding letters of credit - Euro	107	746
Outstanding letters of credit - SEK	-	170
Outstanding letters of credit - RMB	-	345
Outstanding letters of credit - SGD	-	1
Net exposure - USD	4,966	(662)
Net exposure - Euro	281	(807)
Net exposure - GBP	2	2
Net exposure - SEK	-	(170)
Net exposure - RMB	(45)	(345)
Net exposure - SGD	-	(1)

	2021	2020
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	160.22	157.03
Reporting date rate	157.80	168.25
Rupees per Euro		
Average rate	188.53	175.06
Reporting date rate	188.12	189.11
Rupees per SGD		
Average rate	-	115.03
Reporting date rate	-	120.76
Rupees per SEK		
Average rate	-	16.59
Reporting date rate	-	18.09
Rupees per RMB		
Average rate	24.41	22.77
Reporting date rate	24.76	23.92
Rupees per GBP		
Average rate	217.00	199.63
Reporting date rate	218.58	207.68 -

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, EURO, GBP, SEK, RMB and SGD with all other variables held constant, the impact on profit before taxation for the year would have been Rupees 36.486 million, Rupees 2.471 million, Rupees 0.021 million, Rupees Nil, Rupees 0.053 million and Rupees Nil (2020: Rupees 5.643 million, Rupees 7.249, Rupees 0.02 million, Rupees 0.146 million, Rupees 0.392 million and Rupees 0.006 million) 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 hold 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 taxation	
	2021	2020
	(Rupees in thousand)	
PSX 100 (5% increase)	410,831	146,706
PSX 100 (5% decrease)	(410,831)	(146,706)

The Group's investment in mutual fund amounting to Rupees 1.596 million (2020: Rupees 319.927 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

(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. 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:

	2021	2020
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipt	228,366	132,797
Financial liabilities		
Long term financing	5,459,278	2,625,378
Short term borrowings	4,519,777	3,538,802
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	407,216	692,732
Financial liabilities		
Long term financing	12,088,774	12,673,963
Short term borrowings	4,554,780	10,338,160

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 114.301 million (2020: Rupees 166.010 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:

	2021	2020
	(Rupees in thousand)	
Investments	10,065,021	3,904,641
Deposits	347,240	296,106
Trade debts	4,947,118	5,413,514
Other receivables	306,542	49,924
Loans and advances	40,733	52,411
Bank balances	837,220	1,381,663
	16,543,874	11,098,259

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			2021	2020
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	15,207	14,829
Allied Bank Limited	A1+	AAA	PACRA	8,919	23,125
Askari Bank Limited	A1+	AA+	PACRA	17,829	39,475
Bank Alfalah Limited	A1+	AA+	PACRA	14,877	11,920
Bank Al-Habib Limited	A1+	AA+	PACRA	161,388	192,932
Bank Islami Pakistan Limited	A1	A+	PACRA	13,356	208,890
Faysal Bank Limited	A1+	AA	PACRA	2,017	7,847
Habib Bank Limited	A-1+	AAA	JCR-VIS	67,495	89,977
MCB Bank Limited	A1+	AAA	PACRA	217,983	340,580
Meezan Bank Limited	A-1+	AA+	JCR-VIS	42,163	11,976
National Bank of Pakistan	A1+	AAA	PACRA	49,744	66,232
MCB Islamic Bank Limited	A1	A	PACRA	119,321	142,647
Silkbank Limited	A-2	A-	JCR-VIS	60	11
The Bank of Punjab	A1+	AA+	PACRA	24,274	20,049
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,034	32,585
United Bank Limited	A-1+	AAA	JCR-VIS	41,233	134,501
FINCA Microfinance Bank Limited	A1	A	PACRA	1,873	1,442
NRSP Microfinance Bank Limited	A1	A	PACRA	140	4,281
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	2,580	2,580
Samba Bank Limited	A-1	AA	JCR-VIS	1,278	9,681
Soneri Bank Limited	A1+	AA-	PACRA	102	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	3,423	25,077
Summit Bank Limited	A3	BBB-	JCR-VIS	25	25
U Micro finance Bank Limited	A1	A	JCR-VIS	899	899
				837,220	1,381,663
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	133,866	82,797
The Bank of Punjab - term deposit receipts	A1+	AA+	PACRA	94,500	50,000
				228,366	132,797

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 receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained 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 2021 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 2021 and 30 June 2020 was determined as follows:

Holding Company

At 30 June 2021

	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%	23,322	-	0.00%	-	-
Up to 30 days	9.19%	246,596	22,660	0.00%	-	-
31 to 60 days	12.25%	63,132	7,736	0.00%	-	-
61 to 90 days	24.34%	32,333	7,870	0.00%	-	-
91 to 180 days	37.98%	78,035	29,640	0.00%	-	-
181 to 360 days	54.73%	1,091	597	0.00%	-	-
Above 360 days	100.00%	4,385	4,385	0.00%	-	-
		448,894	72,888		-	-
Trade debts which are not subject to risk of default		1,406,804	-		1,483,919	-
		1,855,698	72,888		1,483,919	-

At 30 June 2020

	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%	5,816	-	0.00%	-	-
Up to 30 days	9.58%	121,189	11,604	0.00%	-	-
31 to 60 days	18.21%	60,596	11,032	0.00%	-	-
61 to 90 days	31.87%	27,529	8,774	0.00%	-	-
91 to 180 days	42.76%	30,821	13,178	0.00%	-	-
181 to 360 days	76.24%	5,285	4,030	0.00%	-	-
Above 360 days	100.00%	5,319	5,319	0.00%	-	-
		256,555	53,937		-	-
Trade debts which are not subject to risk of default		1,369,366	-		788,066	-
		1,625,921	53,937		788,066	-

Subsidiary Company - Maple Leaf Cement Factory Limited

At 30 June 2021

	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	0.26%	701,152	1,805	0.00%	7,669	-
1 to 90 days	1.36%	669,896	9,108	0.00%	-	-
91 to 180 days	7.39%	215,727	15,952	0.00%	-	-
181 - 270 days	25.98%	62,964	16,357	0.00%	-	-
271 - 365 days	26.01%	46,914	12,202	0.00%	-	-
Above 365 days	88.53%	268,774	237,948	0.00%	-	-
		1,965,427	293,372		7,669	-

At 30 June 2020

	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	0.15%	927,456	1,356	0.00%	26,051	-
1 to 90 days	0.14%	1,292,750	1,819	0.00%	-	-
91 to 180 days	3.69%	431,275	15,922	0.00%	-	-
181 - 270 days	9.15%	295,994	27,095	0.00%	-	-
271 - 365 days	8.06%	94,960	7,656	0.00%	-	-
Above 365 days	77.16%	164,333	126,803	0.00%	-	-
		3,206,768	180,651		26,051	-

Subsidiary Company - Maple Leaf Capital Limited

At 30 June 2021

	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%	685	-	0.00%	-	-

At 30 June 2020

	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%	1,334	-	0.00%	-	-

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 Company. Accordingly the credit risk is minimal.

(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 2021, the Group had Rupees 13,165 million (2020: Rupees 11,588 million) available borrowing limits from financial institutions and Rupees 844.039 million (2020: Rupees 1,395.483 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 2021.

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	------------------- (Rupees in thousand) --------------------					
Holding Company						
Non-derivative financial liabilities:						
Long term financing	4,206,691	4,618,407	590,942	556,801	870,407	2,600,257
Trade and other payables	1,684,449	1,684,449	1,684,449	-	-	-
Accrued mark-up	65,021	65,021	65,021	-	-	-
Short term borrowings	5,558,536	5,611,468	5,611,468	-	-	-
Unclaimed dividend	30,592	30,592	30,592	-	-	-
	11,545,289	12,009,937	7,982,472	556,801	870,407	2,600,257

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	13,440,927	16,665,786	2,747,709	12,256,541	1,661,536
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	391,694	421,841	-	421,841	-
Trade and other payables	4,636,505	4,636,505	4,636,505	-	-
Unclaimed dividend	28,134	28,134	28,134	-	-
Accrued mark-up	239,537	239,537	239,537	-	-
Short term borrowings	1,894,115	1,894,115	1,894,115	-	-
	20,639,126	23,894,132	9,546,000	12,686,596	1,661,536
Subsidiary Company **Maple Leaf Power Limited**					
Non derivative financial liabilities:					
Trade and other payables	32,096	32,096	32,096	-	-
Accrued mark-up	624	624	624	-	-
Short term borrowings	30,000	30,000	30,000	-	-
	62,720	62,720	62,720	-	-
Subsidiary Company **Maple Leaf Capital Limited**					
Non derivative financial liabilities:					
Trade and other payables	47,318	47,318	47,318	-	-
Accured Mark-up	33,449	33,449	33,449	-	-
Short term borrowings	1,597,625	1,620,118	1,620,118	-	-
	1,678,392	1,700,885	1,700,885	-	-
Derivative financial liabilities:					
Unrealised loss on re-measurement of futures contracts - shares	59,915	59,915	59,915	-	-

Contractual maturities of financial liabilities as at 30 June 2020

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	------------------- (Rupees in thousand)					--------------------
Holding Company						
Non-derivative financial liabilities:						
Long term financing	2,968,283	3,235,415	42,652	142,875	731,403	2,318,485
Trade and other payables	1,671,625	1,671,625	1,671,625	-	-	-
Accrued mark-up	196,614	196,614	196,614	-	-	-
Short term borrowings	7,479,127	7,664,417	7,432,566	231,851	-	-
Unclaimed dividend	29,769	29,769	29,769	-	-	-
	12,345,418	12,797,840	9,373,226	374,726	731,403	2,318,485

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	12,331,058	17,130,841	1,679,632	12,257,657	3,193,552
Long term deposits	8,664	8,664	-	8,664	-
Retention money payable	366,069	421,841	-	421,841	-
Trade and other payables	4,747,583	4,747,583	4,747,583	-	-
Unclaimed dividend	48,053	48,053	48,053	-	-
Accrued mark-up	486,072	486,072	486,072	-	-
Short term borrowings	6,650,302	6,650,302	6,650,302	-	-
	24,637,801	29,493,356	13,611,642	12,688,162	3,193,552
Subsidiary Company Maple Leaf Power Limited					
Non derivative financial liabilities:					
Long term loans from banking	32,956	37,623	4,667	32,956	-
Trade and other payables	132,360	132,360	132,360	-	-
Accrued mark-up	23,862	23,862	23,862	-	-
Short term borrowings	531,513	531,513	531,513	-	-
	720,691	725,358	692,402	32,956	-
Subsidiary Company Maple Leaf Capital Limited					
Non derivative financial liabilities:					
Trade and other payables	33,691	33,691	33,691	-	-
Derivative financial liabilities:					
Unrealized loss on re-measurement of futures contracts - gold	-	-	-	-	-

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 15 to these consolidated financial statements.

50.2 Financial instruments by categories

	2021				2020			
	Amortized cost	At fair value through profit or loss	At fair value through other com-prehensive income	Total	Amortized cost	At fair value through profit or loss	At fair value through other com-prehensive income	Total
	---------- (RUPEES IN THOUSAND) ----------							
Financial assets								
Investments	228,366	9,836,655	157,410	10,222,431	132,797	3,771,844	42,000	3,946,641
Deposits	347,240	-	-	347,240	296,106	-	-	296,106
Trade debts	4,947,118	-	-	4,947,118	5,413,514	-	-	5,413,514
Other receivables	306,542	-	-	306,542	49,924	-	-	49,924
Loans and advances	40,733	-	-	40,733	52,411	-	-	52,411
Cash and bank balances	844,039	-	-	844,039	1,395,483	-	-	1,395,483
	6,714,038	9,836,655	157,410	16,708,103	7,340,235	3,771,844	42,000	11,154,079
Financial liabilities								
Long term financing	17,548,052	-	-	17,548,052	15,299,341	-	-	15,299,341
Long term deposits	8,214	-	-	8,214	8,664	-	-	8,664
Retention money payable	391,694	-	-	391,694	366,069	-	-	366,069
Short term borrowings	9,080,276	-	-	9,080,276	14,215,726	-	-	14,215,726
Trade and other payables	6,340,453	59,915	-	6,400,368	6,585,259	-	-	6,585,259
Accrued mark-up	338,631	-	-	338,631	683,317	-	-	683,317
Unclaimed dividend	58,726	-	-	58,726	77,822	-	-	77,822
	33,766,046	59,915	-	33,825,961	37,236,198	-	-	37,236,198

50.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2021			2020		
	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	4,947,118	-	4,947,118	5,413,514	-	5,413,514
Investments	10,222,431	-	10,222,431	3,946,641	-	3,946,641
Deposits	347,240	-	347,240	296,106	-	296,106
Loans and advances	40,733	1,080,645	1,121,378	52,411	765,733	818,144
Other receivables	306,542	1,285,600	1,592,142	49,924	742,161	792,085
Cash and bank balances	844,039	-	844,039	1,395,483	-	1,395,483
	16,708,103	2,366,245	19,074,348	11,154,079	1,507,894	12,661,973
Liabilities as per statement of financial position						
Long term financing	17,548,052	-	17,548,052	15,299,341	-	15,299,341
Long term deposits	8,214	-	8,214	8,664	-	8,664
Retention money payable	391,694	-	391,694	366,069	-	366,069
Short term borrowings	9,080,276	-	9,080,276	14,215,726	-	14,215,726
Trade and other payables	6,400,368	3,846,183	10,246,551	6,585,259	3,656,402	10,241,661
Accrued mark-up	338,631	-	338,631	683,317	-	683,317
Unclaimed dividend	58,726	-	58,726	77,822	-	77,822
	33,825,961	3,846,183	37,672,144	37,236,198	3,656,402	40,892,600

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 6 and Note 15 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.

	2021	2020
	(Rupees in thousand)	
Borrowings	26,628,328	29,515,067
Total equity	52,640,515	42,596,822
Total capital employed	79,268,843	72,111,889
Gearing ratio	33.59%	40.93%

The decrease in gearing ratio resulted primarily from decrease in borrowings of the Group.

51. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgments and estimates are made in determining the fair values of the financial instruments 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 Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

At 30 June 2021	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	9,728,127	-	-	9,728,127
Total financial assets	9,728,127	-	-	9,728,127
Financial liabilities				
Unrealized loss on re-measurement of futures contracts - shares	59,915	-	-	59,915
Total financial liabilities	59,915	-	-	59,915

At 30 June 2020	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	3,771,844	-	-	3,771,844
Total financial assets	3,771,844	-	-	3,771,844
Financial liabilities				
Unrealized loss on re-measurement of futures contracts - gold	-	-	-	-
Total financial liabilities	-	-	-	-

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 values.

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 as the Group has no investments which are classified under level 3 of fair value hierarchy table.

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 made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the 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 2021	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	1,192,037	3,960,324
Total non-financial assets	-	4,592,647	1,192,037	5,784,684

At 30 June 2020	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	1,192,037	3,931,594
Total non-financial assets	-	4,532,312	1,192,037	5,724,349

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 investment properties and freehold land (classified as property, plant and equipment) at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Investment in gold is non-financial asset. Its fair value is based on the quoted market price in active markets.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and freehold land at the end of every financial year. As at 30 June 2021, the fair values of the investment properties and freehold land of the Holding Company have been determined by Anderson Consulting (Private) Limited (an approved valuer). MLCFL's freehold land was revalued by Arif Evaluators, an independent valuer approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2020.

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

53. INTEREST IN OTHER ENTITIES

The Group's principal subsidiaries as at 30 June 2021 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		Owner ship interest held by non-controlling interests		Principal Activities
		2021	2020	2021	2020	
Maple Leaf Cement Factory Limited	Pakistan	56.12%	55.22%	43.88%	44.78%	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	56.12%	55.22%	43.88%	44.78%	Generation, sale and supply of electricity

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	
	2021	2020	2021	2020	2021	2020
	------------------------------ (Rupees in thousand)					
Summarized statement of financial position						
Current assets	16,923,416	16,607,191	10,681,436	4,371,940	562,385	1,106,748
Current liabilities	11,449,448	15,313,775	1,863,499	120,468	571,337	1,066,944
Current net assets	5,473,968	1,293,416	8,817,937	4,251,472	(8,952)	39,804
Non-current assets	45,510,097	49,402,580	167,555	179,428	5,934,690	8,037,905
Non-current liabilities	16,161,630	19,375,165	-	-	41,633	32,956
Non-current net assets	29,348,467	30,027,415	167,555	179,428	5,893,057	8,004,949
Net assets	34,822,435	31,320,831	8,985,492	4,430,900	5,884,105	8,044,753
Summarized statement of comprehensive income						
Revenue	35,640,181	29,117,734	5,013,141	(495,833)	4,236,412	4,716,609
Profit / (loss) for the year	6,766,689	(4,843,265)	4,119,033	(613,595)	1,152,701	1,291,916
Other comprehensive (loss) / income	(19,624)	6,365	-	-	-	-
Profit / (loss) allocated to NCI	2,969,223	(2,168,814)	703,531	(104,802)	505,805	578,520
Dividend paid to NCI	-	132,929	-	-	-	-
Summarized statement of cash flows						
Cash generated from / (used in) operating activities	6,551,967	(937,724)	(2,190,488)	(129,276)	1,869,597	2,074,237
Cash generated from / (used in) investing activities	251,007	(823,587)	535,697	27,484	2,239,638	(1,907,386)
Cash (used in) / from financing activities	(6,732,688)	2,786,392	1,597,625	-	(3,932,858)	(14,839)
Net increase / (decrease) in cash and cash equivalents	70,286	1,025,081	(57,166)	(101,792)	176,377	152,012

54. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	2021	2020
	(Rupees in thousand)	
Holding Company		
Loans / advances obtained as per Islamic mode:		
Contract liabilities	151,146	148,422
Shariah compliant bank deposits / bank balances:		
Bank balances	84,588	51,758
Profit earned from shariah compliant bank deposits / bank balances	3,847	7,580
Revenue earned from shariah compliant business	29,955,525	21,844,810
Gain / (loss) or dividend earned from shariah compliant investments:		
Dividend income	-	163,918
Profits earned or interest paid on any conventional loan / advance:		
Interest income on loans and advances to Maple Leaf Cement Factory Limited	-	21,297
Profit earned on deposits with banks	10,281	39,572
Interest paid on loans	565,409	655,223
Short term borrowing from Maple Leaf Capital Limited	2,004	80,308

Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance

	2021	2020
Subsidiary company (MLCFL)		
Loans / advances obtained as per Islamic mode:		
Loans	1,270,834	1,270,834
Contract liabilities	250,491	235,928
Shariah compliant bank deposits / bank balances		
Bank balances	19,254	211,369
Profit earned from shariah compliant bank deposits / bank balances	2,764	9,600
Revenue earned from shariah compliant business	35,640,181	29,117,734
Gain / (loss) or dividend earned from shariah compliant investments		
Realized gain on disposal of short term investments	-	7,358
Exchange gain earned	95,981	33,560
Mark-up paid on islamic mode of financing	308,000	-
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	14,585	19,544
Interest paid on loans	894,855	2,768,794

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
Al-Baraka Bank (Pakistan) Limited	Bank balance

Description	2021	2020
	(Rupees in thousand)	
Subsidiary company (MLPL)		
Loans / advances obtained as per Islamic mode:		
Contract liabilities	74	292
Exchange gain earned	3,413	6,793
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	1,371	4,568
Interest paid on loans	29,986	84,541

Description	2021	2020
	(Rupees in thousand)	
Subsidiary company (MLCL)		
Shariah compliant bank deposits / bank balances		
Bank balances	90,690	112,281
Profit earned from shariah compliant bank deposits / bank balances	3,479	15,176
Gain / (loss) or dividend earned from shariah compliant investments		
Realized gain /(loss) on disposal of quoted shares - net	1,298,830	(329,742)
Dividend income	177,611	150,860
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	183	5,059
Interest paid on loans	72,365	-

Relationship with shariah compliant banks

Name	Relationship at reporting date
MCB Islamic Bank Limited	Bank balance

55. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. During the year, the Government of the Punjab from time to time announced a temporary smart lock downs as a measure to reduce the spread of the COVID–19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Group continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain, and workforce, which at this point is not considered to be significant. However, during the year the Group obtained term loan / SBP COVID-19 relief facility, under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan as explained in note 6.1 and 6.2 to these consolidated financial statements. Further, management believes that the Group has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19. However, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these consolidated financial statements.

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 13 August 2021 by the Board of Directors of the Holding Company.

57. NON ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company in their meeting held on 13 August 2021 has proposed a final cash dividend of Rupees 1 per share (10%) amounting to Rupees 299.296 million (2020: Rupees 299.296 million) for the year ended 30 June 2021 for approval of the members at the Annual General Meeting to be held on 28 September 2021. The consolidated financial statements for the year ended 30 June 2021 do not include the effect of the proposed final cash dividend which will be accounted for in the period ending 30 June 2022.

58. CORRESPONDING FIGURES

No significant rearrangements / reclassifications have been made except for Gas Infrastructure Development Cess (GIDC) payable amounting to Rupees 649.333 million which has been reclassified from creditors and accrued liabilities to current portion of non-current liabilities for the purpose of better presentation.

59. GENERAL

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

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

KOHINOOR TEXTILE MILLS LIMITED

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 53rd Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, Tuesday, September 28, 2021 at 12:00 Noon and/or any adjournment thereof.

As witness given under my/our hand(s) ______________ day of September, 2021.

1. Witness:		2. Witness:	
Signature	: ____________________	Signature	: ____________________
Name	: ____________________	Name	: ____________________
CNIC	: ____________________	CNIC	: ____________________
Address	: ____________________	Address	: ____________________
	: ____________________		: ____________________

Affix
Revenue
Stamp of Rs. 50/-

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.

____

Signature of Member / Attorney
(Please also affix company stamp,
in case of corporate entity)

Shares Held: ______________________

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No. | | | | | | – | | | | | | | | – | |

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The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36302261-62

Kohinoor Textile Mills Limited

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 منگل 28 ستمبر 2021ء کو دوپہر بارہ (12:00) بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے 53 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 ________ ستمبر 2021ء 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 کرتے 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 30 جون 2021 کو ختم ہونے والے سال کے لئے کوہ نور ٹیکسٹائل ملز لمیٹڈ (ہولڈنگ کمپنی) اور اسکی ذیلی کمپنیوں میپل لیف سیمنٹ فیکٹری لمیٹڈ (56.12%)، میپل لیف پاور لمیٹڈ (56.12%)، میپل لیف کیپٹل لمیٹڈ (82.92%) (باہم ایک گروپ) کے نظرثانی شدہ اشتمال شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

گروپ نے گزشتہ سال کے 4,871 ملین روپے کے مقابلے میں 15,453 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے گزشتہ سال 2,592 ملین روپے قبل از ٹیکس نقصان کے مقابلے میں 13,694 ملین روپے کا منافع ظاہر کیا ہے۔

گروپ کے مجموعی نتائج حسب ذیل ہیں:

	30 جون 2021	30 جون 2020
	روپے ملین میں	
مجموعی فروخت	65,451	50,848
مجموعی منافع	15,453	4,871
آپریشنز سے نفع	15,757	1,006
مالی اخراجات	2,062	3,598
بعد از ٹیکس منافع / (نقصان)	11,054	(2,595)
	روپے	
فی حصص آمدنی / (نقصان) بنیادی اور ڈائیلوٹڈ	28.26	(3.32)

ذیلی کمپنیاں

میپل لیف سیمنٹ فیکٹری لمیٹڈ (MLCF)

اس نے گزشتہ سال کی فروخت میں 22.40% کا اضافہ درج کیا ہے۔ 21.06% کا مجموعی منافع (30 جون 2020: (2.04%) مجموعی نقصان) اور 7,505 ملین روپے مجموعی منافع (30 جون 2020: (699) ملین روپے نقصان) ظاہر کیا ہے۔ اس نے ٹیکس کے بعد 6,254 ملین روپے منافع (30 جون 2020: (4,843) ملین روپے نقصان) ظاہر کیا ہے۔

میپل لیف پاور لمیٹڈ (MLPL)

ذیلی کمپنی (MLPL) نے موجودہ سال کے دوران ٹیکس کے بعد منافع 1,153 ملین روپے (30 جون 2020: 1,292 ملین روپے) ظاہر کیا ہے۔

میپل لیف کیپٹل لمیٹڈ (MLCL)

ذیلی کمپنی (MLCL) نے بعد از ٹیکس منافع 4,119 ملین روپے (30 جون 2020: (614) ملین روپے نقصان) ظاہر کیا ہے۔

کمپنیز ایکٹ 2017، کی تعمیل میں سیکشن 227 کے تحت تمام معاملات ہماری Standalone ڈائریکٹرز رپورٹ میں درج کردیئے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز گروپ کے ارکان، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکرگزار ہیں۔ وہ مختلف کرداروں میں کام کرنے والے ملازمین کی سخت محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

(توفیق سعید سہگل)
چیف ایگزیکٹو

(سید محسن رضا نقوی)
ڈائریکٹر

لاہور: 13 اگست 2021ء

ہیومن ریسورس اور ریمنریشن کمیٹی

نام	عہدہ
جناب شفیق احمد خان	چیئرمین / آزاد ڈائریکٹر
جناب ذوالفقار منو	رکن / آزاد ڈائریکٹر
جناب سعید طارق سہگل	رکن / نان ایگزیکٹو ڈائریکٹر
جناب دانیال توفیق سہگل	رکن / نان ایگزیکٹو ڈائریکٹر

23 دسمبر 2020 کو ایک اجلاس منعقد ہوا اور تمام اراکین نے جناب سعید طارق سہگل کے علاوہ اجلاس میں شرکت کی۔

نان ایگزیکٹو / آزاد ڈائریکٹرز کے لئے ڈائریکٹرز کا 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 -/10,000 روپے (دس ہزار روپے صرف) فی اجلاس یا بورڈ اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے 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۔

شیئر ہولڈنگ کا نمونہ

30 جون 2021 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

مستقبل کا نقطہ نظر

امید ہے کہ آنے والے سال میں کمپنی کے مالی نتائج بہتر ہوتے رہیں گے، کیونکہ کمپنی کی اپنے لوگوں، پلانٹ اور مشینری میں سرمایہ کاری بھرپور فائدہ دے رہی ہے اور عالمی معیشت وبائی مرض کے اثرات سے چھٹکارہ حاصل کر رہی ہے۔ ہم پُرامید ہیں کہ حکومت ٹیکسٹائل سیکٹر کو بجلی اور قدرتی گیس کی فراہمی کے لیے اپنی توانائی پالیسی جاری رکھے گی جو کہ ملک کی برآمدی صنعتوں کی طویل راہ تک مدد کرے گی۔ عام لوگوں کو ویکسین لگانے کے لیے حکومت کی جاری کوششوں کو سراہا گیا ہے، اور کمپنی نے اپنے ملازمین اور ان کے خاندانوں کو جلد سے جلد ویکسین کروانے کے لیے سخت پالیسیاں اپنائی ہیں۔ ہم حکومت کی جانب سے اپنے لوگوں کو مفت ویکسین فراہم کرنے کی کوششوں کو سراہتے ہیں۔

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 آف ڈائریکٹرز

(توفیق سعید سہگل)
چیف ایگزیکٹو

(سید محسن رضا نقوی)
ڈائریکٹر

لاہور: 13 اگست 2021ء

ترتیب:

آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز (بشمول سی ای او)	03
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹرز)	01

فہرست ڈائریکٹرز اور بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار (04) اجلاس پاکستان میں منعقد ہوئے ہیں اور پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ ہر ایک ڈائریکٹرز کی حاضری حسب ذیل کے مطابق ہے:

کیٹگری	نام	اجلاسوں میں حاضری
آزاد ڈائریکٹرز	جناب شفیق احمد خان	4
	جناب ذوالفقار منو	4
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل چیئر مین	4
	جناب سعید طارق سہگل	3
	جناب ولید طارق سہگل	4
ایگزیکٹو ڈائریکٹرز	جناب توفیق سعید سہگل (چیف ایگزیکٹو آفیسر)	4
	جناب دانیال توفیق سہگل	4
	سید محسن رضا نقوی	4
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	محترمہ جہاں آراء سہگل	4

جو ڈائریکٹر بورڈ اجلاس میں شرکت نہ کر سکے انہیں رخصت کی اجازت دی گئی۔

آڈٹ کمیٹی

مالی سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور ہر رکن کی حاضری حسب ذیل تھی۔

نام	عہدہ	اجلاسوں میں حاضری
جناب شفیق احمد خان	چیئر مین / آزاد ڈائریکٹر	4
جناب ذوالفقار منو	رکن / آزاد ڈائریکٹر	4
جناب سعید طارق سہگل	رکن / نان ایگزیکٹو ڈائریکٹر	3
جناب ولید طارق سہگل	رکن / نان ایگزیکٹو ڈائریکٹر	1

جو اراکین آڈٹ کمیٹی اجلاس میں شرکت نہ کر سکے انہیں رخصت کی اجازت دی گئی۔

جناب شفیق احمد خان، چیئر مین آڈٹ کمیٹی نے 27 اکتوبر 2020 کو منعقدہ گزشتہ AGM میں شرکت کی۔

بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی سمیت بورڈ کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا 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 کرکے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاہی 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 کرکے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہ نور سہگل لیف گروپ نے "13 واں کارپوریٹ سوشل رسپانسبلٹی نیشنل ایکسلینس ایوارڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

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 موثر 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 موثر 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 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 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۔

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 ان کوالیفائیڈ رائے کا اظہار کیا ہے۔

ریٹائرڈ 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 حوالے سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق آڈیٹرز کی حیثیت سے تقرری کی منظوری دی ہے۔

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی ترتیب

ڈائریکٹرز کی کل تعداد:

a)۔ مرد 8

b)۔ خاتون 1

ii۔ روپے کی قدر میں کمی کی وجہ سے برآمدہ خام کپاس، پیکیجنگ اور ڈائیز کی قیمتوں میں اضافہ، جو منافع مارجن کو کم کر رہی ہیں۔

iii۔ ایندھن اور بجلی کی زیادہ قیمتوں کی وجہ سے توانائی کی لاگت میں اضافہ۔

iv۔ آپریٹنگ اخراجات میں مجموعی طور پر افراطِ زر میں 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 اجاگر 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 افراطِ زر کو پورا کرنے کے لئے ایک مؤثر پروکیورمنٹ منصوبہ تیار کیا گیا ہے۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اس کی 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۔

حکومت پاکستان کی کمپنی کے کاروبار سے متعلق پالیسیاں اور کارکردگی پر ان کے اثرات

حکومت پاکستان کی ایکسپورٹ اورینٹڈ ٹیکسٹائل بیسڈ کمپنیوں کے لئے قلیل مدتی/طویل مدتی فنانسنگ کا سستا ذریعہ فراہم کرنے کی پالیسی کمپنی کی مالیات پر نمایاں اثرات مرتب کرتی ہے۔ مقامی ٹیکسوں اور لیویز (ڈی ایل ٹی ایل) اسکیم پر ان ڈیوٹی ڈرابیک کے علاوہ حکومت کی طرف سے ایک بہترین موقع بھی ہے جو برآمد کنندگان کو مؤثر مالی انتظام میں مدد فراہم کرتا 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 ان 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۔

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 پینل 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۔

زیرِ جائزہ سال کے لئے آپریٹنگ منافع 4,061 ملین روپے (2,681:2020 ملین روپے) رہا۔ کمپنی نے ٹیکس کے بعد منافع 2,756 ملین روپے (1,528:2020 ملین روپے) درج کیا ہے۔ 30 جون 2021 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 5.11 روپے کے مقابلے موجودہ سال میں 9.21 روپے ہے۔

گروپ کا مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، کمپنی کی مجموعی آمدنی بڑھ کر 65,451 ملین روپے (50,848:2020 ملین روپے)، جبکہ فروخت کی قیمت بڑھ کر 49,998 ملین روپے (45,977:2020 ملین روپے) ہوگئی۔ اس کے نتیجے میں مجموعی منافع 15,453 ملین روپے (4,871:2020 ملین روپے) زیادہ رہا۔ 30 جون 2021 کو ختم ہونے والے سال کے لئے فی شیئر (نقصان)/ آمدنی گزشتہ سال کی اسی مدت کی (3.32) روپے کے مقابلے موجودہ سال میں 28.26 روپے رہی ہے۔

ڈیویڈینڈ اور تصرفات

نتائج کو دیکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے -/1 روپیہ فی شیئر (10%) حتمی نقد منافع منقسمہ کا اعلان کیا ہے۔ یہ عبوری نقد منافع منقسمہ کے علاوہ ہے جو -/1 روپیہ فی شیئر (10%) پہلے ہی ادا کر دیا گیا، اس طرح مجموعی نقد منافع منقسمہ -/2 روپے فی شیئر (20 فیصد) بنتا ہے۔ مستقبل میں ڈیویڈینڈ کے امکانات مستقبل کے اقتصادی حالات پر منحصر ہیں۔

ڈائریکٹرز نے حسبِ ذیل کے مطابق سفارش کیا ہے:

تفصیل	روپے ہزاروں میں
ٹیکس سے پہلے منافع	3,397,709
ٹیکس کی فراہمی	(641,380)
ٹیکس کے بعد منافع	2,756,329
30 جون 2020 مختتمہ سال کے لئے اعلان کردہ حتمی منافع منقسمہ	(299,296)
30 جون 2021 مختتمہ سال کے لئے اعلان کردہ عبوری منافع منقسمہ	(299,296)
مجموعی منافع جو آگے لائے	8,698,514
مجموعی منافع جو آگے جائے گا	10,856,251

بعد کے واقعات

کمپنی کی کارکردگی، مقاصد یا حکمتِ 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 نے بڑے پیمانے پر مزید ایک شمسی توانائی کی منصوبہ بندی کی ہے جو دسمبر 2021 تک لائیو ہو جائے گی اور کمپنی کی شمسی توانائی کی مجموعی صلاحیت 11 میگا واٹ سے زائد ہو جائے گی۔ اس کے علاوہ جیسا کہ آنے والے سالوں میں پاکستان سے ٹیکسٹائل مصنوعات کی طلب میں اضافے کی توقع ہے، کمپنی اس وقت اپنے ویونگ ڈویژن کی صلاحیت میں اضافے کی منصوبہ بندی کے مراحل میں ہے۔

ادائیگیوں، ڈیبٹ/ 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/ ڈیبٹ 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۔

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون، 2021 کو ختم ہونے والے سال کے لئے 53 ویں سالانہ رپورٹ معہ نظر ثانی شدہ مالیاتی گوشوارے اوران پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اصل سرگرمی

کوہ 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

زیر جائزہ سال کے دوران، کمپنی کے منافع میں جاری کورونا وائرس وبائی مرض کے برے اثرات، عالمی مال برداری کے نرخوں میں بہت زیادہ اضافہ اور غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ کے باوجود گزشتہ سال کے مقابلے میں شاندار اضافہ ریکارڈ کیا گیا۔ اس بہتر کارکردگی کو خام مال کی بروقت خریداری اور کمپنی کے پلانٹ اور مشینری کی مسلسل اپ گریڈیشن سے منسوب کیا جاسکتا ہے جس کے نتیجے میں معیار اور پیداواری صلاحیت بہتر ہوئی۔

مقامی اور بین الاقوامی زیادہ طلب اور خام مال کی خریداری کی ہماری پالیسی کے نتیجے میں فروخت کی شرح میں اضافے کی وجہ سے کمپنی کے اسپننگ ڈویژنز کے نتائج بہتر منافع کا بنیادی محرک رہے ہیں۔ کمپنی اپنی یارن کی پیشکش کو مزید متنوع بنانے کے لیے صلاحیت بڑھانے، معیار کو بہتر بنانے اور نئی اسپننگ ٹیکنالوجیز میں سرمایہ کاری جاری رکھے ہوئے ہے۔ آگے بڑھتے ہوئے ان سے مالی نتائج بہتر ہونے چاہئیں۔

بین الاقوامی سطح پر کپاس کی قیمتیں بڑھ رہی ہیں۔ کمپنی اپنی خام مال کی خریداری کی محتاط پالیسی کے ساتھ آگے بڑھ رہی ہے کیونکہ اس نے موجودہ سال کے لیے اپنی خریداری جاری رکھی ہے۔ آگے بڑھتے ہوئے، کمپنی کپاس کی بین الاقوامی سورسنگ پر توجہ مرکوز رکھے گی کیونکہ مقامی سپلائی مہنگی ہے اور پیداوار مقامی صنعت کی ضروریات سے کم ہونے کی توقع ہے۔ مزید برآں، کمپنی کپاس پر انحصار کم کرنے کے لیے مصنوعی ریشوں کے زیادہ استعمال پر توجہ دے رہی ہے۔

یارن کی زیادہ قیمتوں اور یارن کی درآمدات کی فراہمی کی سخت صورتحال کے باوجود گزشتہ سال کے مقابلے میں ویونگ ڈویژن کے نتائج بہتر ہوئے۔ جیسا کہ آنے والے سالوں میں پاکستان سے طلب بڑھنے کی توقع ہے، کمپنی فی الحال اپنی رائے ونڈ سائٹ پر صلاحیت میں اضافے کی منصوبہ بندی کے مراحل میں ہے۔

ہوم ٹیکسٹائل ڈویژن نے گزشتہ سال کی طرح اچھی کارکردگی نہیں دکھائی۔ اس کی بڑی وجہ مال برداری کے نرخوں میں کئی گنا اضافہ، یارن کی زیادہ قیمتیں اور ایکسچینج ریٹ میں غیر متوقع تبدیلیاں ہیں جو بین الاقوامی سطح پر ریٹیلرز برداشت کرنے سے قاصر تھے۔ ہوٹلوں کی بندش اور سفری پابندی کی وجہ سے کمپنی کے ادارہ جاتی گاہکوں کی طلب کا سامنا کرنا پڑا جس نے سیاحت کی صنعت کو نمایاں طور پر متاثر کیا اور زیریں لائن پر منفی اثر مرتب ہوا۔ تاہم، عالمی سطح پر ویکسینیشن کی بڑھتی ہوئی شرحوں کے ساتھ، کمپنی پُر امید ہے کہ ڈویژن موجودہ سال کے دوران اپنی سابقہ کارکردگی کی واپسی دیکھے گا۔ معیار اور پیداواری صلاحیت کو بڑھانے کے لیے کمپنی توازن اور جدید کاری پر توجہ مرکوز رکھتی ہے۔

اپنی پائیداری پر توجہ مرکوز رکھنے کے لیے، کمپنی گرین ٹیکنالوجیز میں بڑی سرمایہ کاری جاری رکھے ہوئے ہے۔ اس کے علاوہ بڑے پیمانے پر شمسی توانائی کا منصوبہ جاری ہے اور دسمبر 2021 تک مزید منصوبوں کے بعد کمپنی کی شمسی توانائی کی مجموعی گنجائش 11 میگاواٹ سے زائد ہو جائے گی۔ مزید برآں، کمپنی پانی کے استعمال کو کم کرنے اور پانی ذخیرہ کرنے اور ری سائیکلنگ کی صلاحیتوں کو بڑھانے کی کوششیں جاری رکھے ہوئے ہے۔

ہم پُر امید ہیں کہ حکومت ٹیکسٹائل سیکٹر کو بجلی اور قدرتی گیس کی فراہمی کے لیے اپنی توانائی پالیسی جاری رکھے گی جو کہ ملک کی برآمدی صنعتوں کی طویل راہ تک مدد کرے گی۔ عام لوگوں کو ویکسین لگانے کے لیے حکومت کی جاری کوششوں کو سراہا گیا ہے، اور کمپنی نے اپنے ملازمین اور ان کے خاندانوں کو جلد سے جلد ویکسین کروانے کے لیے سخت پالیسیاں اپنائی ہیں۔ ہم حکومت کی جانب سے اپنے لوگوں کو مفت ویکسین فراہم کرنے کی کوششوں کو سراہتے ہیں۔

امید ہے کہ آنے والے سال میں کمپنی کے مالی نتائج بہتر ہوتے رہیں گے، کیونکہ کمپنی کی اپنے لوگوں، پلانٹ اور مشینری میں سرمایہ کاری بھرپور فائدہ دے رہی ہے اور عالمی معیشت وبائی مرض کے اثرات سے چھٹکارہ حاصل کر رہی ہے۔

مالیاتی جائزہ

زیر جائزہ سال کے دوران، کمپنی کی فروخت 37 فیصد کے اضافہ سے 29,956 ملین روپے (2020: 21,845 ملین روپے) رہی، جبکہ فروخت کی قیمت 33 فیصد کے اضافہ سے 23,823 ملین روپے (2020: 17,855 ملین روپے) زیادہ ہوئی۔ اس کے نتیجے میں مجموعی منافع 6,133 ملین روپے (2020: 3,990 ملین روپے) رہا۔

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