



1st quarterly report
september 30,
2 0 2 1



COVER STORY

The inspiringly innovative journey of fibre to fabric – where cotton staples are tangled, weaved, and processed to perfection with multitudes of colours paving their way through stupendous designs – has always been envisioned at KTM to bring vibrancy and delight to the lives of its stakeholders. Our people are committed to the organisation's sustainable growth, ensuring our contribution to Pakistan's economy by empowering connected communities and socioeconomic segments in realising their dreams for a better tomorrow!

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser

Mr. 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.ktml.com

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

DIRECTORS' REVIEW

The Directors present un-audited accounts of the Company for the quarter ended 30 September 2021, in compliance with requirements of Section 237 of the Companies Act, 2017.

REVIEW OF OPERATIONS

During the period under review, the overall results of the Company were similar to those of the final quarter of the previous financial year.

The results of the Spinning division declined slightly, due to the introduction of high-priced raw materials. Raw material prices have surged, and the prices of yarn have begun to follow the same trend, which should lead to robust results in the coming quarter. Equipment for modernization and capacity expansion continues to arrive and be installed, albeit with some delays due to longer delivery times and ongoing worldwide freight shortages. Expansion projects are well underway, and should be completed on time, which should lead to increased turnover and profitability in the third and fourth quarters of the financial year. The Company continues to procure raw materials as per its policy but is keeping risk management at the forefront of its considerations due to the volatile nature of the current cotton market.

The results of the Weaving division have substantially improved, both in sales and profitability. Expansion and modernization plans are being finalized and will be announced in the coming quarters.

The results of the Processing and Cut & Sew divisions have improved over the last quarter but are hindered by the lack of availability of containers and high freight rates; it is hoped that this situation will stabilize in the next six months.

The Company continues with its focus on sustainable manufacturing, with further improvements in its Water Recycling and capacity increases in its Solar Energy production; as soon as this current solar expansion is completed, the Company will initiate further expansion at all sites. It is hoped that the results of this year will exceed the budgeted figures.

FINANCIAL REVIEW

During the period under review, Company's sales increased by 12.55% to Rs. 7,963 million (2020: Rs. 7,075 million), while cost of sales increased by 0.18% to Rs. 5,881 million (2020: Rs. 5,871 million). This resulted in gross profit of Rs. 2,082 million (2020: Rs. 1,205 million). Operating profit for the period under review stood at Rs. 1,523 million (2020: Rs. 782 million). The Company made an after-tax profit of Rs. 995 million (2020: Rs. 513 million). Earnings per share for the quarter ended 30 September 2021 were at Rs. 3.33 against Rs. 1.71 for the corresponding period last year.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their cooperation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board



Syed Mohsin Raza Naqvi
Director



Taufique Sayeed Saigol
Chief Executive

Lahore
October 22, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2021: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up share capital			
299,296,456 (30 June 2021: 299,296,456) ordinary shares of Rupees 10 each		2,992,964	2,992,964
Reserves			
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		3,871,774	3,871,774
		<u>4,857,851</u>	<u>4,857,851</u>
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		11,552,240	10,856,251
		<u>13,002,731</u>	<u>12,306,742</u>
Total equity		<u>20,853,546</u>	<u>20,157,557</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	3,080,746	3,173,974
Deferred government grants		21,907	24,287
Gas Infrastructure Development Cess (GIDC) payable		-	14,294
Deferred income tax liability		757,113	671,102
		<u>3,859,766</u>	<u>3,883,657</u>
CURRENT LIABILITIES			
Trade and other payables		3,386,447	2,657,455
Accrued mark-up		96,158	65,021
Short term borrowings		9,135,431	5,558,536
Current portion of non-current liabilities		1,424,798	1,299,221
Unclaimed dividend		28,945	30,592
Unpaid dividend		299,296	-
Taxation - net		671,410	482,216
		<u>15,042,485</u>	<u>10,093,041</u>
Total liabilities		<u>18,902,251</u>	<u>13,976,698</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	6	<u>39,755,797</u>	<u>34,134,255</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,921,422	10,706,281
Investment properties		1,824,360	1,824,360
Long term investments		11,078,733	11,078,733
Long term deposits		52,967	52,961
		23,877,482	23,662,335
CURRENT ASSETS			
Stores, spare parts and loose tools		1,134,790	811,473
Stock-in-trade		6,636,934	3,972,858
Trade debts		3,467,888	3,266,729
Advances		2,575,116	612,203
Short term prepayments		113,856	14,599
Other receivables		1,669,061	1,410,306
Short term investments		153,866	133,866
Cash and bank balances		126,804	249,886
		15,878,315	10,471,920
TOTAL ASSETS		39,755,797	34,134,255



CHIEF EXECUTIVE OFFICER



 DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-Audited)**
For the quarter ended 30 September 2021

	30 September 2021	30 September 2020
	(Rupees in thousand)	
REVENUE	7,963,248	7,075,482
COST OF SALES	(5,881,481)	(5,870,876)
GROSS PROFIT	2,081,767	1,204,606
DISTRIBUTION COST	(333,617)	(261,254)
ADMINISTRATIVE EXPENSES	(184,958)	(143,987)
OTHER EXPENSES	(125,827)	(43,082)
	(644,402)	(448,323)
OTHER INCOME	1,437,365	756,283
	85,767	26,067
PROFIT FROM OPERATIONS	1,523,132	782,350
FINANCE COST	(186,985)	(159,774)
PROFIT BEFORE TAXATION	1,336,147	622,576
TAXATION		
- Current	(254,851)	(68,272)
- Deferred	(86,011)	(41,386)
	(340,862)	(109,658)
PROFIT AFTER TAXATION	995,285	512,918
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	3.33	1.71

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

For the quarter ended 30 September 2021

	30 September 2021	30 September 2020
	(Rupees in thousand)	
PROFIT AFTER TAXATION	995,285	512,918
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	995,285	512,918

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)

For the quarter ended 30 September 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	Unapprop- riated profit			Sub-total	
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	
-	-	-	-	-	512,918	512,918	512,918	512,918	512,918
-	-	-	-	-	-	-	-	-	-
2,992,964	986,077	3,843,044	4,829,121	1,450,491	9,211,432	10,661,923	15,491,044	18,484,008	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	(598,592)
-	-	28,730	28,730	-	2,243,411	2,243,411	2,243,411	2,243,411	2,243,411
-	-	28,730	28,730	-	-	-	28,730	28,730	28,730
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	
-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
-	-	-	-	-	995,285	995,285	995,285	995,285	995,285
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	995,285	995,285	995,285	995,285	995,285
2,992,964	986,077	3,871,774	4,857,851	1,450,491	11,552,240	13,002,731	17,860,582	20,853,546	

-----Rupees in thousand-----

Balance as at 30 June 2020 - (Audited)

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2020 - (Un-audited)

Transaction with owners:

- final dividend for the year ended 30 June 2020 @ Rupees 1.00 per share

- interim dividend for the year ended 30 June 2021 @ Rupees 1.00 per share

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 June 2021 - (Audited)

Transaction with owners:

- final dividend for the year ended 30 June 2021 @ Rupees 1.00 per share

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2021 - (Un-audited)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the quarter ended 30 September 2021

	Note	30 September 2021 (Rupees in thousand)	30 September 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	8	(3,089,559)	725,534
Finance cost paid		(153,357)	(208,636)
Income tax paid		(65,657)	(10,855)
Gas Infrastructure Development Cess (GIDC) payable		(9,222)	-
Net increase in long term deposits		(6)	-
Net cash (used in) / generated from operating activities		(3,317,801)	506,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(392,473)	(310,849)
Proceeds from disposal of property, plant and equipment		7,859	27,301
Short term investments made		(20,000)	-
Interest received		1,679	1,660
Net cash used in investing activities		(402,935)	(281,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		211,969	604,504
Repayment of long term financing		(192,044)	-
Grant received during the period		2,481	-
Short term borrowings - net		3,576,895	(881,303)
Dividend paid		(1,647)	(10)
Net cash from / (used in) financing activities		3,597,654	(276,809)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(123,082)	(52,654)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		249,886	186,613
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		126,804	133,959

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) For the quarter ended 30 September 2021

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021. These unconsolidated condensed interim financial statements are un-audited, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
5. LONG TERM FINANCING		
Secured		
Balance at beginning of the period / year	4,206,691	2,968,283
Add : Obtained during the period / year	214,450	1,719,338
Less: discounting adjustments for recognition at fair value - deferred government grant	(2,481)	(107,544)
Add: unwinding of discount on liability	12,362	45,930
	4,431,022	4,626,007
Less: Repaid during the period / year	(192,044)	(419,316)
	4,238,978	4,206,691
Less: Current portion shown under current liabilities	(1,158,232)	(1,032,717)
Balance as at end of the year	3,080,746	3,173,974

5.1 Long term financing include loans obtained under “SBP Temporary Economic Refinance Facility for import of plant and machinery” and “SBP Refinance Scheme for payment of wages and salaries to workers”. These loans have been measured at their fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loans and loan proceeds have been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance).

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

6.2 Commitments in respect of:

- a) Contracts for capital expenditure amounting to Rupees 8.078 million (30 June 2021: Rupees Nil).
- b) Letters of credit for capital expenditure amounting to Rupees 1,600.621 million (30 June 2021: Rupees 927.920 million).
- c) Letters of credit other than for capital expenditure amounting to Rupees 1,758.007 million (30 June 2021: Rupees 3,303.062 million).

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	10,554,618	10,119,371
Capital work-in-progress	7.2	366,804	586,910
		<u>10,921,422</u>	<u>10,706,281</u>
7.1 Operating fixed assets			
Net book value at the beginning of the period / year		10,119,371	9,260,304
Add : Cost of additions / transfers during the period / year	7.1.1	612,579	1,548,474
Add : Revaluation surplus on freehold land during the period / year		-	28,730
		<u>10,731,950</u>	<u>10,837,508</u>
Less : Book value of deletions during the period / year	7.1.2	1,222	77,402
		<u>10,730,728</u>	<u>10,760,106</u>
Less : Depreciation charged during the period / year		176,110	640,735
Net book value at the end of the period / year		<u>10,554,618</u>	<u>10,119,371</u>
7.1.1 Cost of additions			
Buildings		39,069	188,729
Plant and machinery		516,236	1,194,990
Services and other equipment		-	20,296
Computers and IT installations		797	13,958
Furniture and fixtures		17,723	57,507
Office equipment		3,286	9,866
Vehicles		35,468	63,128
		<u>612,579</u>	<u>1,548,474</u>
7.1.2 Book value of deletions			
Plant and machinery		-	66,712
Computer and IT installations		53	883
Vehicles		1,169	9,807
		<u>1,222</u>	<u>77,402</u>

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)
7.2 Capital work-in-progress			
Civil works and buildings		345,983	175,859
Plant and machinery		18,666	408,896
Advances for capital expenditure		2,155	2,155
		<u>366,804</u>	<u>586,910</u>
		Un-audited 30 September 2021 (Rupees in thousand)	Un-audited 30 September 2020 (Rupees in thousand)
8. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		1,336,147	622,576
Adjustments for non-cash charges and other items:			
Depreciation		176,110	155,501
Finance cost		186,985	159,774
Gain on sale of property, plant and equipment		(6,637)	(9,879)
Allowance for expected credit losses		22,793	-
Return on bank deposits		(1,679)	(1,660)
Working capital changes	8.1	(4,803,278)	(200,778)
		<u>(3,089,559)</u>	<u>725,534</u>
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(323,317)	(101,977)
Stock-in-trade		(2,664,076)	1,146,816
Trade debts		(223,952)	(438,891)
Advances		(1,962,913)	(238,250)
Security deposits and short term prepayments		(99,257)	(28,409)
Other receivables		(258,755)	(57,954)
		<u>(5,532,270)</u>	<u>281,335</u>
Increase / (decrease) / in trade and other payables		<u>728,992</u>	<u>(482,113)</u>
		<u>(4,803,278)</u>	<u>(200,778)</u>

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated undertakings, directors of the Company and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Un-audited Quarter ended	
	30 September 2021	30 September 2020
	(Rupees in thousand)	
i) Transactions		
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	31,897	29,572
Maple Leaf Capital Limited		
Funds transferred	200,000	-
Mark-up on loan	-	2,004
Other related parties		
Company's contribution to provident fund trust	18,067	15,483
Remuneration of Chief Executive Officer, Directors and Executives	58,273	53,124
	Un-audited 30 September 2021	Audited 30 June 2021
	(Rupees in thousand)	
ii) Period end balances		
Maple Leaf Cement Factory Limited		
Trade and other payables	(121,999)	(96,779)
Maple Leaf Capital Limited		
Other receivables	198,099	-
Trade and other payables	-	(1,939)

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

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

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

Fair value hierarchy

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

At 30 September 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 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

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

Valuation techniques used to determine level 2 fair values

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

Valuation processes

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

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

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

14. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 22 October 2021 by the Board of Directors of the Company.

15. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

No significant reclassification / rearrangement of corresponding figures has been made.

16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



KOHINOOR TEXTILE MILLS LIMITED

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED
30 SEPTEMBER 2021**

DIRECTORS' REVIEW

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

GROUP RESULTS

The Group has earned gross profit of Rupees 4,480 million as compared to Rupees 2,748 million of corresponding period. The Group has earned pre-tax profit of Rupees 754 million this period as compared to Rupees 2,685 million during the previous period. The overall Group financial results are as follows:

	2021 (Rupees in million)	2020
Revenue	17,827	14,567
Gross profit	4,480	2,748
Profit from operations	1,287	3,275
Financial charges	533	590
Net profit after taxation	313	2,231
	----- (Rupees) -----	
Earnings per share - Basic and diluted	0.56	5.91

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 31.57% in its sales over previous period and has earned gross profit of 19.49% (30 Sep 2020: 16.42%) amounting to Rupees 1,929 million (30 Sep 2020: 1,235 million).

It has earned after tax profit of Rupees 563 million (30 Sep 2020: Rupees 309 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 283 million (30 Sep 2020: Rupees 246 million).

Maple Leaf Capital Limited (MLCL)

MLCL has incurred / earned after tax (loss) / profit of Rupees (1,658) million (30 Sep 2020: Rupees 1,106 million).

ACKNOWLEDGMENT

The Directors are grateful to the Group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working at various divisions.

For and on behalf of the Board



Syed Mohsin Raza Naqvi
Director



Taufique Sayeed Saigol
Chief Executive

Lahore
October 22, 2021

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2021: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up share capital			
299,296,456 (30 June 2021: 299,296,456) ordinary shares of Rupees 10 each		2,992,964	2,992,964
Reserves			
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		4,070,446	4,070,446
		5,056,523	5,056,523
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		25,960,568	26,092,086
		<u>27,411,059</u>	<u>27,542,577</u>
Equity attributable to equity holders of the Holding Company		<u>35,460,546</u>	<u>35,592,064</u>
Non-controlling interest		<u>17,193,375</u>	<u>17,048,451</u>
Total equity		<u>52,653,921</u>	<u>52,640,515</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	14,044,763	14,810,723
Deferred grant		154,802	73,856
Gas Infrastructure Development Cess (GIDC) payable		-	57,184
Long term deposits		8,214	8,214
Retirement benefits		235,773	228,266
Retention money payable		398,651	391,694
Deferred income tax liability		4,010,183	3,949,204
		<u>18,852,386</u>	<u>19,519,141</u>
CURRENT LIABILITIES			
Trade and other payables		11,318,678	10,246,551
Accrued mark-up		352,183	338,631
Unclaimed dividend		56,939	58,726
Unpaid dividend		299,296	-
Short term borrowings		15,793,185	9,080,276
Current portion of non-current liabilities		3,978,263	3,335,310
		<u>31,798,544</u>	<u>23,059,494</u>
Total liabilities		<u>50,650,930</u>	<u>42,578,635</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	6	<u>103,304,851</u>	<u>95,219,150</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	57,015,186	56,012,067
Investment properties		1,824,360	1,824,360
Intangibles		5,512	6,018
Long term investment		157,617	157,410
Long term loans to employees		19,356	17,004
Long term deposits		110,269	110,263
		<u>59,132,300</u>	<u>58,127,122</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		12,815,496	10,859,200
Stock -in- trade		9,260,786	6,058,721
Trade debts		5,643,550	4,947,118
Loans and advances		3,659,501	1,104,374
Security deposits and short term prepayments		544,339	257,235
Other receivables		1,533,482	1,592,142
Taxation - net		1,388,932	1,364,178
Short term investments		8,200,592	10,065,021
Cash and bank balances		1,125,873	844,039
		<u>44,172,551</u>	<u>37,092,028</u>
TOTAL ASSETS		<u><u>103,304,851</u></u>	<u><u>95,219,150</u></u>



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-Audited)**
For the quarter ended 30 September 2021

	30 September 2021	30 September 2020
	(Rupees in thousand)	
REVENUES	17,826,908	14,566,768
COST OF SALES	(13,346,916)	(11,819,199)
GROSS PROFIT	4,479,992	2,747,569
DISTRIBUTION COST	(733,148)	(423,653)
ADMINISTRATIVE EXPENSES	(427,321)	(376,472)
OTHER EXPENSES	(2,170,326)	(91,302)
	(3,330,795)	(891,427)
OTHER INCOME	1,149,197	1,856,142
	137,632	1,419,214
PROFIT FROM OPERATIONS	1,286,829	3,275,356
FINANCE COST	(533,009)	(589,996)
PROFIT BEFORE TAXATION	753,820	2,685,360
PROVISION FOR TAXATION	(441,118)	(454,273)
PROFIT AFTER TAXATION	312,702	2,231,087
SHARE OF PROFIT ATTRIBUTABLE TO :		
EQUITY HOLDERS OF HOLDING COMPANY	167,778	1,768,105
NON-CONTROLLING INTEREST	144,924	462,982
	312,702	2,231,087
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	0.56	5.91

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

For the quarter ended 30 September 2021

	30 September 2021 (Rupees in thousand)	30 September 2020
PROFIT AFTER TAXATION	312,702	2,231,087
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	312,702	2,231,087
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of Holding Company	167,778	1,768,105
Non-controlling interest	144,924	462,982
	312,702	2,231,087

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)

For the quarter ended 30 September 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											
	Reserves										
	Capital reserves			Revenue reserves			Total reserves	Non-controlling interest	Total equity		
	Share capital	Share premium	Surplus on revaluation of freehold land and investment properties	Sub - total	General reserves	Unappropriated profit				Sub-total	
Balance as at 30 June 2020 - Audited	2,992,964	986,077	4,041,716	5,027,793	1,450,491	18,368,673	19,819,164	24,846,957	27,839,921	14,756,901	42,596,822
Profit for the period	-	-	-	-	-	1,768,105	1,768,105	-	1,768,105	462,982	2,231,087
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,768,105	1,768,105	-	1,768,105	462,982	2,231,087
Balance as at 30 September 2020 - Un-audited	2,992,964	986,077	4,041,716	5,027,793	1,450,491	20,136,778	21,587,269	26,615,062	29,608,026	15,219,883	44,827,909
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 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
Profit for the period	-	-	-	-	-	(725,138)	(725,138)	(725,138)	(725,138)	(293,910)	(1,019,048)
Other comprehensive income for the period	-	-	-	-	-	6,691,459	6,691,459	6,691,459	6,691,459	2,131,089	8,822,548
Total comprehensive income for the period	-	-	-	-	-	(11,013)	(11,013)	17,717	17,717	(8,611)	9,106
Balance as at 30 June 2021 - Audited	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
Transaction with owners:											
- Final dividend for the year ended 30 June 2021 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
Profit for the period	-	-	-	-	-	167,778	167,778	167,778	167,778	144,924	312,702
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	167,778	167,778	167,778	167,778	144,924	312,702
Balance as at 30 September 2021 - Un-audited	2,992,964	986,077	4,070,446	5,056,523	1,450,491	25,960,568	27,411,059	32,467,582	35,460,546	17,193,375	52,653,921

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



CHIEF EXECUTIVE OFFICER

DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)

For the quarter ended 30 September 2021

	Note	30 September 2021	30 September 2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	8	(3,827,292)	2,753,241
Finance cost paid		(506,335)	(810,351)
Retirement benefits paid		(8,750)	(5,039)
Income tax paid		(465,872)	(523,467)
Gas Infrastructure Development Cess (GIDC) payable		(9,222)	-
Net increase in long term deposits		(6)	(5)
Net cash (used in) / generated from operating activities		(4,817,477)	1,414,379
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,855,481)	(477,287)
Long term loan to employees- net		(2,352)	(118)
Interest received		5,214	6,142
Proceeds from sale of property, plant and equipment		9,159	27,301
Long term investment made		(207)	-
Net cash used in investing activities		(1,843,667)	(443,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from long term financing		310,410	604,504
Repayment of long term financing		(192,044)	(286,891)
Grant received during the period		113,490	-
Short term borrowings (net)		6,712,909	(2,263,761)
Dividend paid		(1,787)	(19,356)
Net cash from / (used in) financing activities		6,942,978	(1,965,504)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		281,834	(995,087)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		844,039	1,395,483
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,125,873	400,396

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the quarter ended 30 September 2021

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Kohinoor Textile Mills Limited (“the Holding Company”) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and listed on Pakistan Stock Exchange (PSX). The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

The Holding Company holds 56.12% (30 June 2021: 56.12%) shares of Maple Leaf Cement Factory Limited, 82.92% (30 June 2021: 82.92%) shares of Maple Leaf Capital Limited and 56.12% (30 June 2021: 56.12%) shares of Maple Leaf Power Limited.

1.2 Subsidiary Companies

1.2.1 Maple Leaf Cement factory Limited (MLCFL)

Maple Leaf Cement Factory Limited (“the Subsidiary Company”) was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. MLCFL is listed on Pakistan Stock Exchange Limited. The registered office of MLCFL is situated at 42-Lawrence Road, Lahore. MLCFL is engaged in production and sale of cement.

1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited (“the Subsidiary Company”) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance, 1984 (now the Companies Act, 2017) as a public company limited by shares. The registered office of MLCL is situated at 42-Lawrence Road, Lahore. The principal objects of MLCL are to buy, sell, hold or otherwise acquire or invest the capital in any sort of financial instruments and commodities.

1.2.3 Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited (“the Subsidiary”) was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (Now the Companies Act, 2017). The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal object of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to MLCFL.

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2021. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended 30 June 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2021.

	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
5. LONG TERM FINANCING		
Secured		
Balance at beginning of the period / year	17,548,052	15,299,341
Add : Obtained during the period / year	423,900	2,829,207
Less: Discounting adjustments for recognition at fair value - deferred government grant	(113,490)	(249,636)
Add: unwinding of discount on liability	29,953	88,456
	17,888,415	17,967,368
Less: Repaid during the period / year	(192,044)	(419,316)
	17,696,371	17,548,052
Less: Current portion shown under current liabilities	(3,651,608)	(2,737,329)
	14,044,763	14,810,723

5.1 Long term financing include loans obtained under “SBP Temporary Economic Refinance Facility “ and “SBP Refinance Scheme for payment of wages and salaries to workers”. These loans have been measured at their fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loans and loan proceeds have been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance).

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2021.

6.2 Commitments in respect of:

- (i) Contracts for capital expenditure amounting to Rupees 8.078 million (30 June 2021: Rupees Nil).
- (ii) Letter of credit for capital expenditure amounting to Rupees 16,058.487 million (30 June 2021: Rupees 12,185.517 million).
- (iii) Letters of credit other than for capital expenditure amounting to Rupees 1,841.249 million (30 June 2021: Rupees 3,388.249 million).
- (iv) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 1,549.979 million (30 June 2021: Rupees 1,772.168 million).

	Note	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	52,283,715	52,462,922
Capital work-in-progress	7.2	4,458,758	3,441,203
Stores held for capitalization		272,713	107,942
		<u>57,015,186</u>	<u>56,012,067</u>
7.1 Operating fixed assets			
Net book value at the beginning of the period / year		52,462,922	53,313,404
Add : Cost of additions during the period / year	7.1.1	673,155	2,793,615
Add : Revaluation surplus on freehold land during the period / year		-	28,730
		<u>53,136,077</u>	<u>56,135,749</u>
Less : Book value of deletions during the period / year	7.1.2	2,541	157,137
		<u>53,133,536</u>	<u>55,978,612</u>
Less : Depreciation charged during the period / year		849,821	3,515,690
		<u>52,283,715</u>	<u>52,462,922</u>
7.1.1 Cost of additions			
Buildings		42,909	792,475
Plant and machinery		567,270	1,795,865
Service and other equipment		-	20,296
Computer and IT installations		797	14,190
Furniture and fixture		21,938	65,285
Office equipment		3,286	10,012
Vehicles		36,955	95,492
		<u>673,155</u>	<u>2,793,615</u>
7.1.2 Book value of deletions			
Plant and machinery		441	137,486
Computer and IT installations		53	396
Vehicles		2,047	19,255
		<u>2,541</u>	<u>157,137</u>

	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021
7.2 Capital work-in-progress		
Plant and machinery	951,771	974,888
Civil Works	1,661,712	1,063,380
Advances for capital expenditure	1,739,200	1,402,935
Unallocated expenses	106,075	-
	<u>4,458,758</u>	<u>3,441,203</u>

	Un-audited 30 September 2021 (Rupees in thousand)	Un-audited 30 September 2020
8. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	753,820	2,685,360
Adjustment for non-cash charges and other items		
Depreciation	849,821	995,220
Amortization	505	1,145
Finance cost	533,009	589,996
Retirement benefits	15,472	19,097
Allowance for expected credit losses	46,200	-
(Gain) / loss on sale of property, plant and equipment	(6,618)	(9,879)
Gain on remeasurement of investments at fair values through profit or loss	-	(12,049)
Return on bank deposits	(5,214)	(6,497)
Working capital changes	8.1 (6,014,287)	(1,509,152)
	<u>(3,827,292)</u>	<u>2,753,241</u>

	Un-audited 30 September 2021 (Rupees in thousand)	Un-audited 30 September 2020
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(1,956,296)	1,002,092
Stock-in-trade	(3,202,065)	998,872
Trade debts	(742,632)	104,896
Loans and advances	(2,555,127)	(283,094)
Short Term investment - net	1,681,564	(2,440,874)
Security deposits and short term prepayments	(287,104)	(87,272)
Other receivables	(24,754)	(69,194)
	(7,086,414)	(774,574)
Increase / (decrease) in current liabilities		
Trade and other payables	1,072,127	(734,578)
	(6,014,287)	(1,509,152)

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associated undertakings, directors of the Group and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Un-audited 30 September 2021 (Rupees in thousand)	Un-audited 30 September 2020
Other related parties		
Group's contribution to provident fund trust	67,218	47,665
Group's contribution to gratuity fund trust	5,015	1,937
Remuneration paid to Chief Executive Officers, Directors and Executives	122,121	106,851

10. SEGMENT INFORMATION

10.1

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021
REVENUE:	4,343,798	3,197,929	1,664,310	1,213,964	1,955,140	2,663,589	9,863,660	7,491,286	-	-	-	-	-	-	17,826,908	14,566,768
EXTERNAL INTER-SEGMENT	122,552	396,543	264,157	497,978	2,686	-	31,897	29,572	-	-	-	-	(421,282)	(924,033)	-	-
	4,466,350	3,594,472	1,928,467	1,711,942	1,957,826	2,663,589	9,895,557	7,520,858	-	-	-	-	(421,282)	924,033	17,826,908	14,566,768
COST OF SALES	(3,071,715)	(3,074,059)	(1,633,526)	(1,527,412)	(1,585,635)	(2,163,926)	(7,497,332)	(5,977,895)	-	-	-	-	421,282	924,033	(13,346,916)	(11,819,199)
GROSS PROFIT	1,394,635	520,413	294,941	184,530	392,191	499,663	2,398,225	1,542,963	-	-	-	-	-	-	4,479,992	2,747,569
DISTRIBUTION COST	(17,909)	(10,144)	(62,496)	(21,905)	(263,212)	(239,205)	(399,531)	(162,993)	-	-	-	-	-	-	(753,146)	(423,653)
ADMINISTRATIVE EXPENSES	(79,563)	(57,955)	(58,530)	(35,937)	(66,665)	(60,033)	(215,568)	(197,386)	(24,882)	(32,879)	(1,912)	(2,220)	-	-	(427,321)	(376,472)
	(97,472)	(68,099)	(91,026)	(57,902)	(330,077)	(279,240)	(615,100)	(359,785)	(24,882)	(32,879)	(1,912)	(2,220)	-	-	(1,160,469)	(800,125)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	1,297,163	452,314	203,915	126,628	62,114	220,423	1,783,125	1,183,178	(24,882)	(32,879)	(1,912)	(2,220)	-	-	3,319,523	1,947,444
FINANCE COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(533,009)	-	-	-	-	-	-	-	-	-	-	-	-	-	(533,009)	(589,996)
	(2,170,326)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,170,326)	(81,302)
	137,632	-	-	-	-	-	-	-	-	-	-	-	-	-	137,632	1,419,214
	(441,118)	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,118)	(454,273)
	(3,006,821)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,006,821)	283,643
	312,702	-	-	-	-	-	-	-	-	-	-	-	-	-	312,702	2,231,067

10.2 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021	Un-audited	30 September 2021
TOTAL ASSETS FOR REPORTABLE SEGMENT	11,071,967	6,967,209	4,331,700	3,619,156	6,100,162	5,555,619	61,121,562	57,278,959	9,216,215	10,846,991	5,729,165	5,435,650	97,570,791	89,725,784
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	5,734,060	5,493,366
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	5,334,397	3,561,634	2,001,755	781,283	7,423,655	6,089,278	19,213,436	16,273,777	1,802,296	1,631,074	223,728	30,624	103,304,851	95,219,150
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	-	-	-	-	-	-	-	-	-	-	-	-	35,999,269	28,367,870
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	14,651,661	14,190,765
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	50,650,930	42,578,635

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classify its financial instruments into the following three levels. However, as at the reporting date, the Group 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 Group is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

Fair value hierarchy

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

At 30 September 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 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

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

Valuation techniques used to determine level 2 fair values

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

Valuation processes

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

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

13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2021.

14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 22 October 2021 by the Board of Directors of the Holding Company.

15. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”, the consolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

No significant reclassification / rearrangement of corresponding figures has been made.

16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,
Lahore, Pakistan

