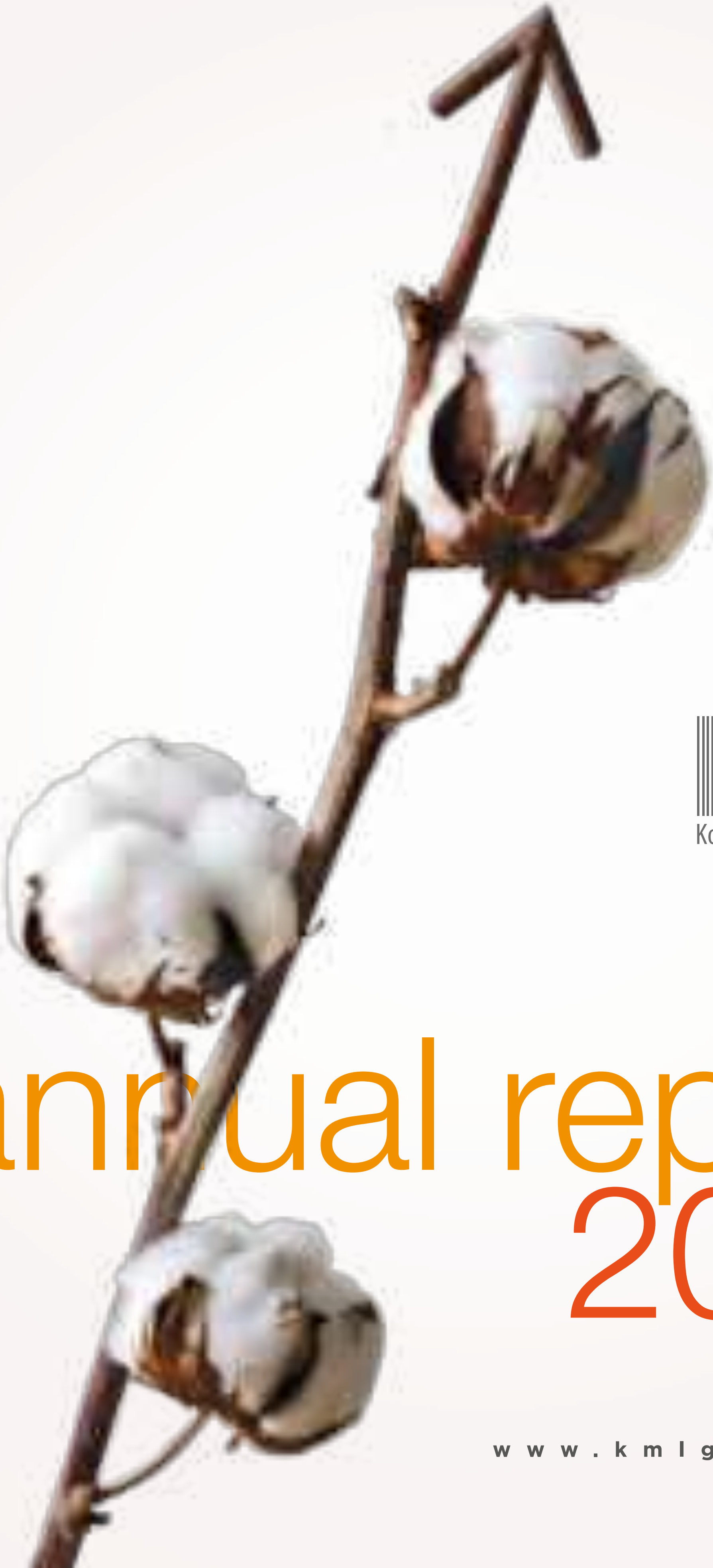


KTM
Kohinoor Textile Mills Limited

annual report 2022

www.kmlg.com/ktml

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 KTML 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!

IN THIS REPORT

ABOUT THE REPORT

KOHINOOR TEXTILE MILLS LIMITED (KTML) corporate Annual Report 2022 covers the period from 1st July 2021 to 30th June 2022. 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 2022 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 2022 have been prepared in compliance with provisions and directives of Companies Act, 2017 and Code of Corporate Governance Regulations, 2019. Independent auditor's report is also part of Annual Report 2022. 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

2022
YEAR AT A GLANCE

01
GROSS PROFIT
RUPEES IN THOUSAND
10,169,257

02
PROFIT BEFORE TAX
RUPEES IN THOUSAND
6,575,626

03
REVENUE
RUPEES IN THOUSAND
39,558,284

04
PROFIT AFTER TAX
RUPEES IN THOUSAND
4,740,723

05
SHAREHOLDERS EQUITY
RUPEES IN THOUSAND
24,299,688

06
GROSS PROFIT RATIO
26%

07
RETURN ON FIXED ASSETS
36%

08
CURRENT RATIO
1.32

09
EARNINGS PER SHARE BASIC
Rs. 15.84

10
CASH FLOW FROM OPERATIONS TO SALES
9%

KTM
Kohinoor Textile Mills Limited

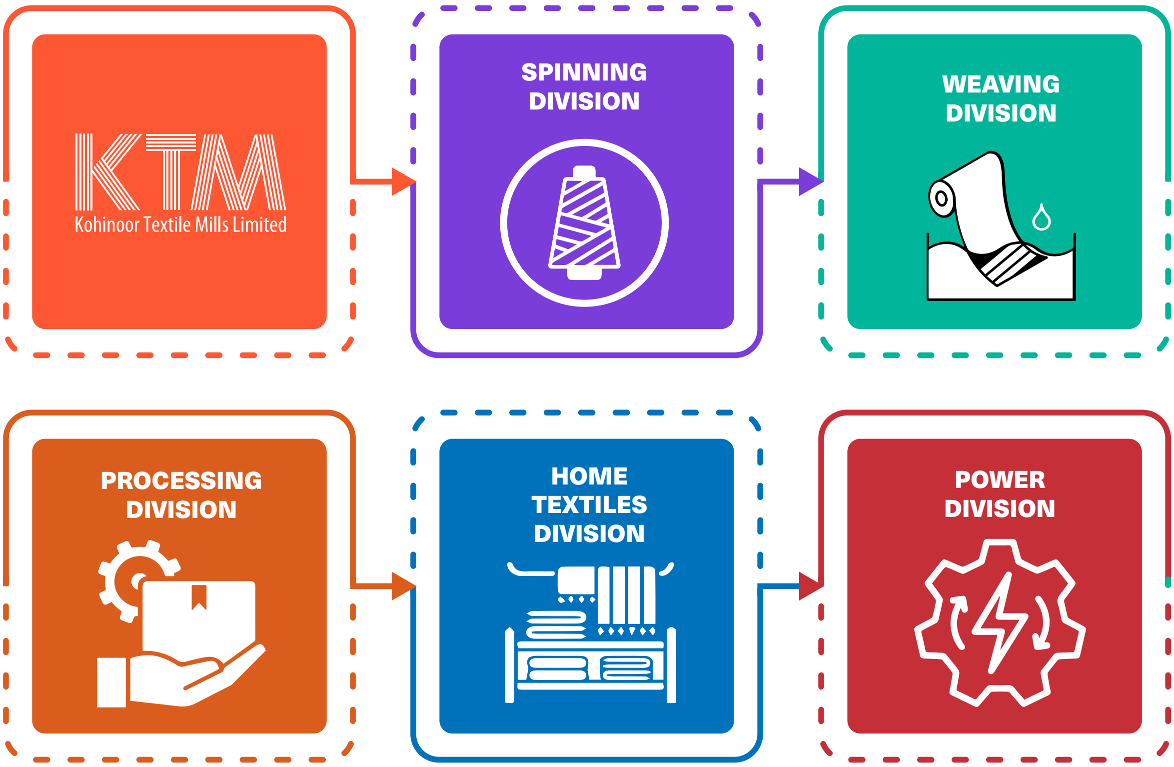
ORGANISATION OVERVIEW

AND EXTERNAL ENVIRONMENT

WWW.KMLG.COM/KTML

COMPANY PROFILE & PRINCIPAL BUSINESS ACTIVITIES

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



The Company's spinning production facilities now comprise 158,544 ring spindles, 384 MVS spindles, 2,712 open end rotors capable of spinning a wide range of yarn counts using cotton and Man-made fibers at Rawalpindi,Gujjar Khan 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 endeavor to maintain world's best manufacturing practice. Operations of the Company are subject to different environmental and labour laws. The Company is fully complying with all applicable environmental, labour, corporate and other relevant legal laws.

OUR PRODUCTS

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

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

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

YARN

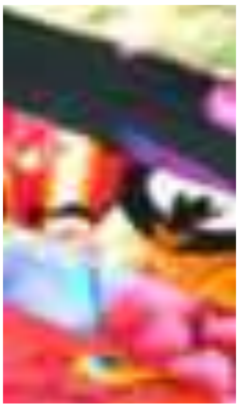
GREIGE FABRIC

HOME TEXTILES







KTM
Kohinoor Textile Mills Limited

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. Muhammad Younas
Advocate High Court

Bankers of the Company

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
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

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

Registered Office

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

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.

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.


OUR
VALUES

OUR VALUES

PASSION

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

EMPATHY

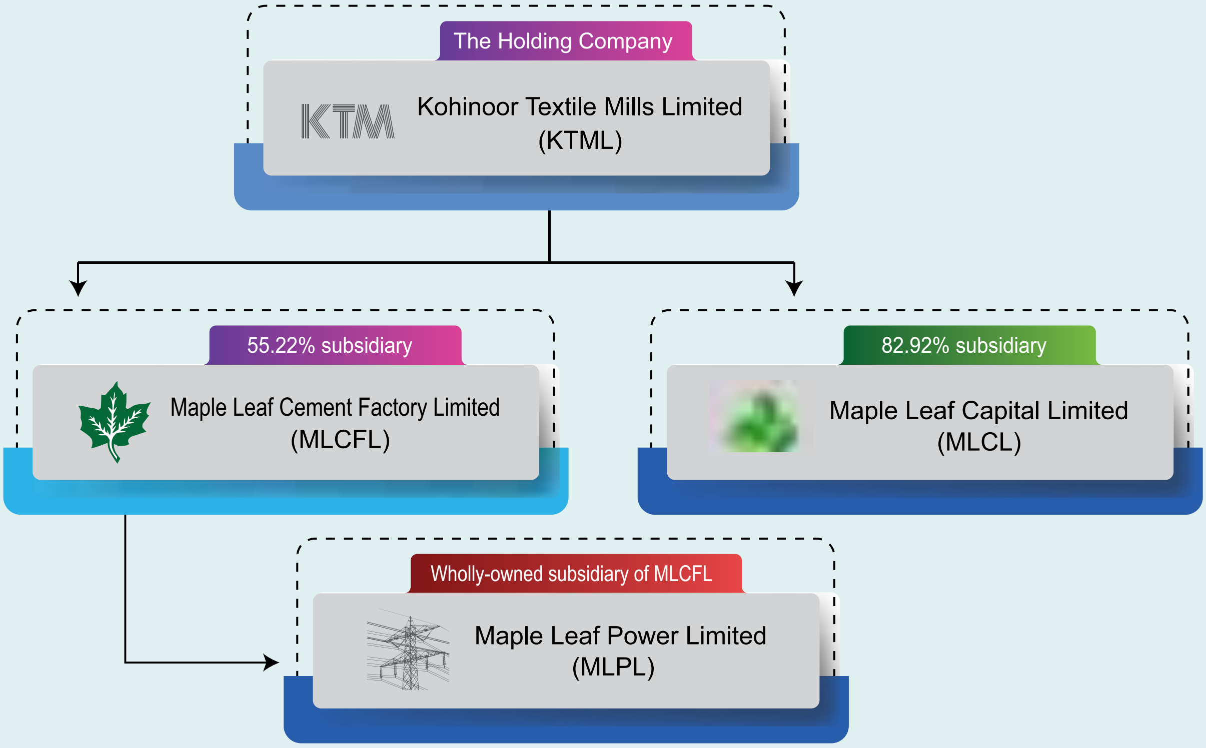
We share each others' feelings and emotions, making us a stronger, more cohesive team; we communicate effectively and approach challenges collectively.

INTEGRITY

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

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).



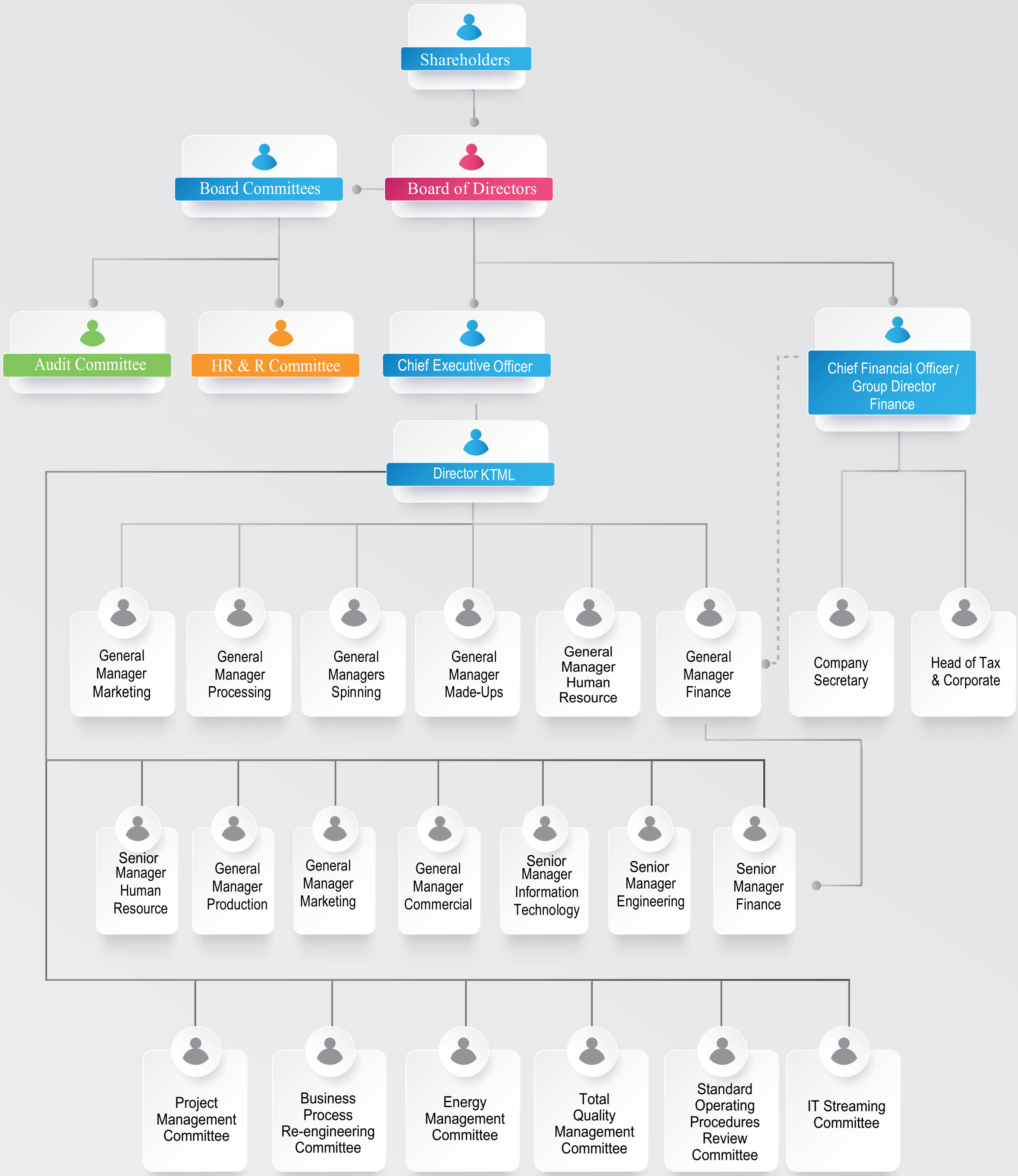
Kohinoor Textile Mills Limited is a parent Company of other three below mentioned Companies. The initial capacity of its Rawalpindi Unit comprised 25,000 spindles. Later, fabric processing facilities were added and spinning capacity was augmented. Additional production facilities were acquired on the 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



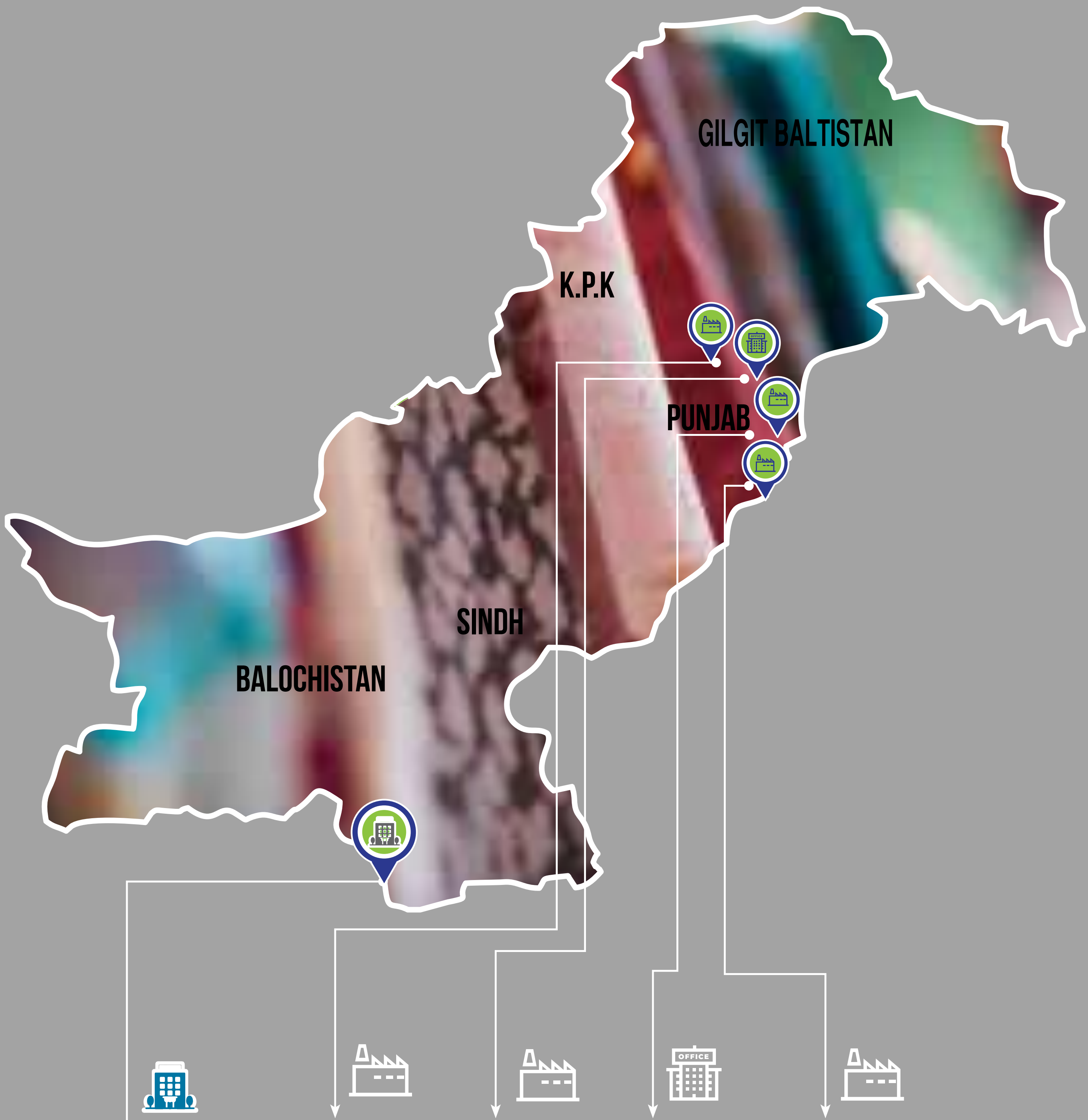
Legends:

KTML: Kohinoor Textile Mills Limited

Administrative Reporting

Functional Reporting

GEOGRAPHICAL PRESENCE



Regional Sales Office
25-West Wharf Road,
Karachi

Mills
Gulyana Road,
Gujar Khan,
Rawalpindi

Mills
Peshawar Road,
Rawalpindi

Head office
42 - Lawrence
Road, Lahore

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

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.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

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

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

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

KEY ELEMENTS OF BUSINESS MODEL

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

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

FACTORS EFFECTING EXTERNAL ENVIRONMENT

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

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

FACTOR	IMPACT	KTML RESPONSE
S SOCIAL	• Stakeholders' inclination towards CSR compliant organizations. • Better retention in organizations offering affordable health and educational facilities. • Attitude change towards welfare of public at large.	• Ensuring compliance with the 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. The Company has also contributed 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.

FACTOR	IMPACT	KTML RESPONSE
T TECHNO-LOGY	• Technical obsolescence of production facilities. • Availability of information technology infrastructures and Management Information Systems (MIS) software.	• Company has always given priority to latest technological developments and kept investing on BMR to avoid any risk of technical obsolescence. • Company continuously invests in the robust hardware and software for system up-gradation and MIS. • The Company has installed Oracle EBS Suit which facilitates financials and supply chain.
L LEGAL	• Amendments in the applicable legal and regulatory frameworks, including tax and custom laws, significantly impact the Company's business.	• 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. • 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.
E ENVIRONM-ENTAL	• Attitude towards and support for renewable energy. • Air pollution & Lowering of underground water belt. • Growing attention towards "green" attitudes	• Company is successfully operating waste water treatment plant to ensure the safe discharge of industrial effluents. • Solar based power generation has also augmented the operational efficiencies of the Company. • Planting trees to limit the emission of harmful gases in the atmosphere and to ensure maintenance and lifting up the underground water level by reducing the evaporation process. • The company has been approved to the standards of ISO 14001 and ISO 18001 for complying with an effective Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) requirements.

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

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.

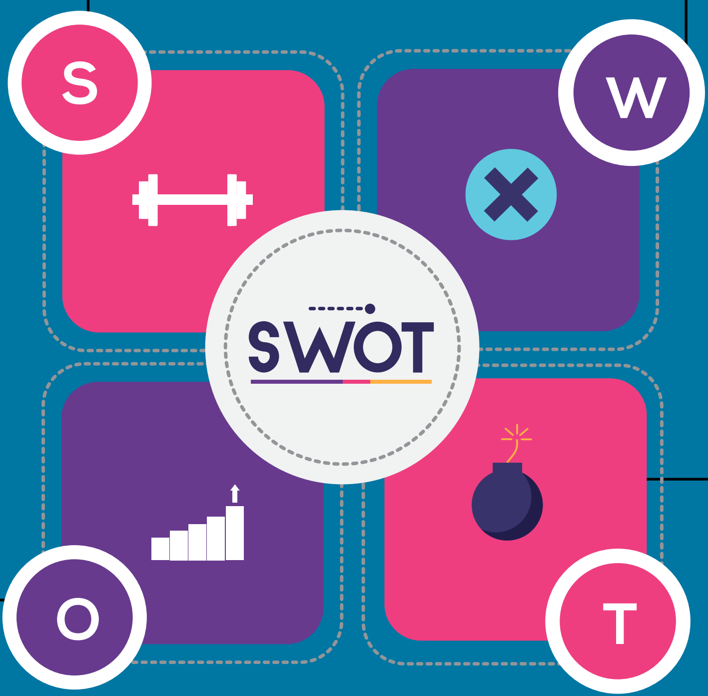
Management at KTML, considers the following factors of SWOT analysis relevant to us:

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

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.

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

The significant events which occurred during the year ended June 30, 2022 are as follows:

- Installation of 384 MVS spindles in KTM Rawalpindi, which increased the capacity of spinning division.
- The installation of additional 4MW solar based power generation capacity in Kohinoor Gujjar Khan division.
- Cotton and fuel prices began to rise during the later half of the year, putting pressure on the Company's profit margins.
- Installation of 21,600 Ring spindles after the reporting date in Kohinoor Gujjar Khan division, which further increased the capacity of Company's spinning division.

THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

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

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

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

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

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

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

THE LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE ORGANIZATION OPERATES

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

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

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

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

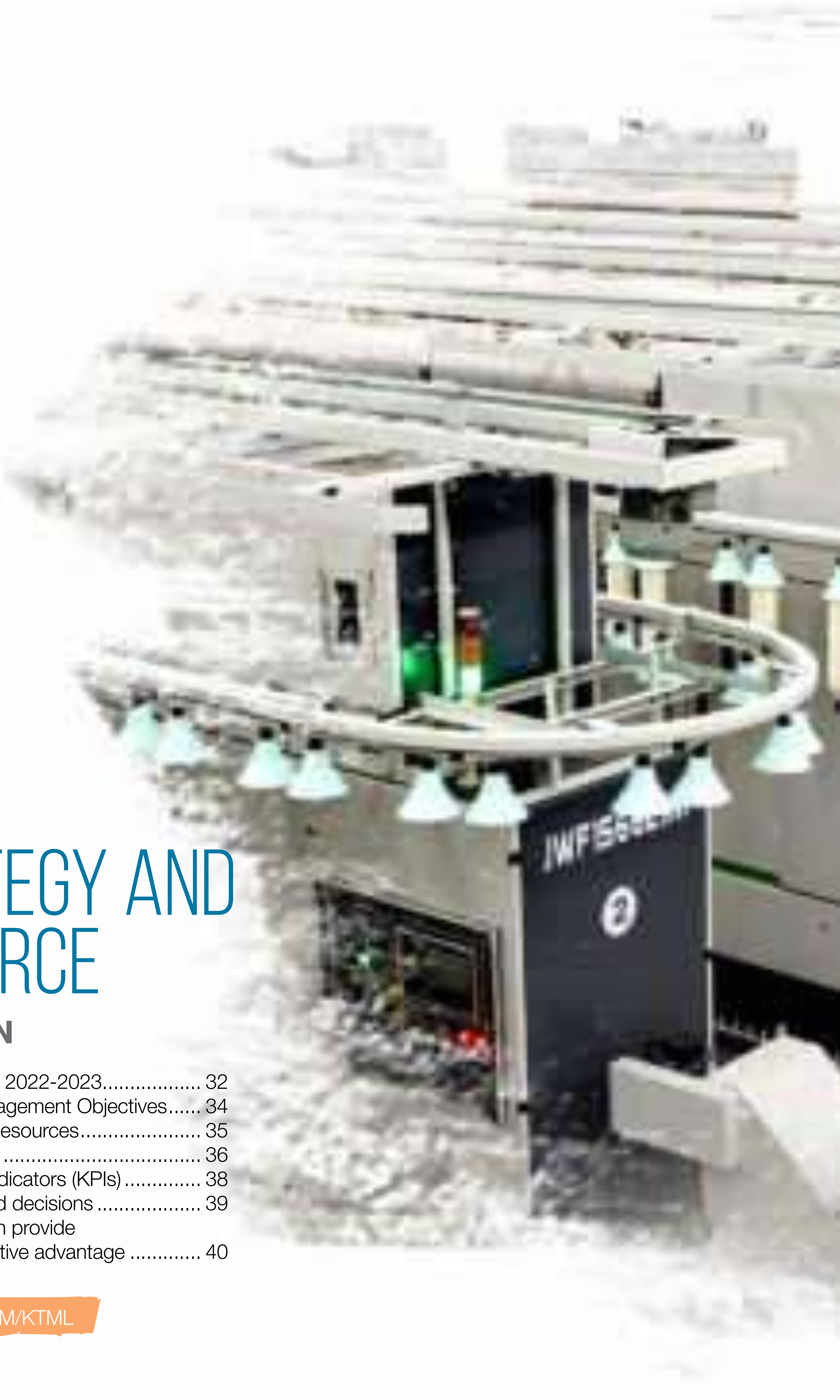
The political environment has an impact on the ability of any organization to implement its strategy. Political uncertainties negatively affects consumers, businesses, investors, financial markets and economic policymakers. Chronic political instability has hampered Pakistan's economic growth the most.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

On a global level, Russia-Ukraine conflict has led to a commodity super-cycle, where the prices of various fuels have increased significantly. This has an impact on the Company's input costs which have increased significantly.

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 increased the input cost of the Company.

KTM
Kohinoor Textile Mills Limited



STRATEGY AND RESOURCE

ALLOCATION

WWW.KMLG.COM/KTML

STRATEGIC OBJECTIVES 2022-2023

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 2021-22 and will continue in the year 2022-23. 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.

RESOURCE ALLOCATION

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

Key opportunity	Impact area	Strategy to materialize
Growing demand in local market Source: External	Social and relationship capital and Financial Capital	The Company has increased its capacity of fabric printing by adding a latest machine of digital printing technology.
Cost reduction by using innovative production technology. Source: Internal	Manufactured capital	The Company, realizing the importance of reducing electric costs, has an active waste heat recovery plant at site which converts heat from power engine into steam, which was previously lost, into energy. Furthermore, the 11.2-MW solar power plant provides free electricity to the Company.
Development of human relations/ resource. Source: Internal	Human capital	Development of human resource is engraved in the company's mission statement & long-term objectives. Through extensive trainings and development programs, human resource capital is adding value to the Company with their professional ability, caliber and integrity.
Improvements in the business process. Source: Internal	Financial capital	The Company can capture healthy profits through its ability to operate at maximum capacity, efficient cash management system, by making sound liquid investments and effective control over stock levels.

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.

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.

KEY RESOURCES WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

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

REGULAR TECHNOLOGICAL UPGRADES

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

ENERGY EFFICIENCY AND REDUCTION OF CARBON FOOTPRINT

KTML focuses on energy conservation, operational efficiencies and carbon footprint reduction. Company's effluent emissions are regularly monitored. To reduce our environmental footprint KTML has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects of industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. Further, the Company remains committed to explore sustainable alternative energy sources which is evident from installation of 11.5MW Solar based power project with more to come in future.

QUALITY CONTROL

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

ECONOMIES OF SCALE

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

HUMAN RESOURCES

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

SMART LOGISTICS SETUP AND SUPPLY-CHAIN MANAGEMENT

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

VALUE CREATED BY THE BUSINESS USING THESE RESOURCES AND CAPABILITIES

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

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

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RISKS AND OPPORTUNITIES

AND COMPLIANCE

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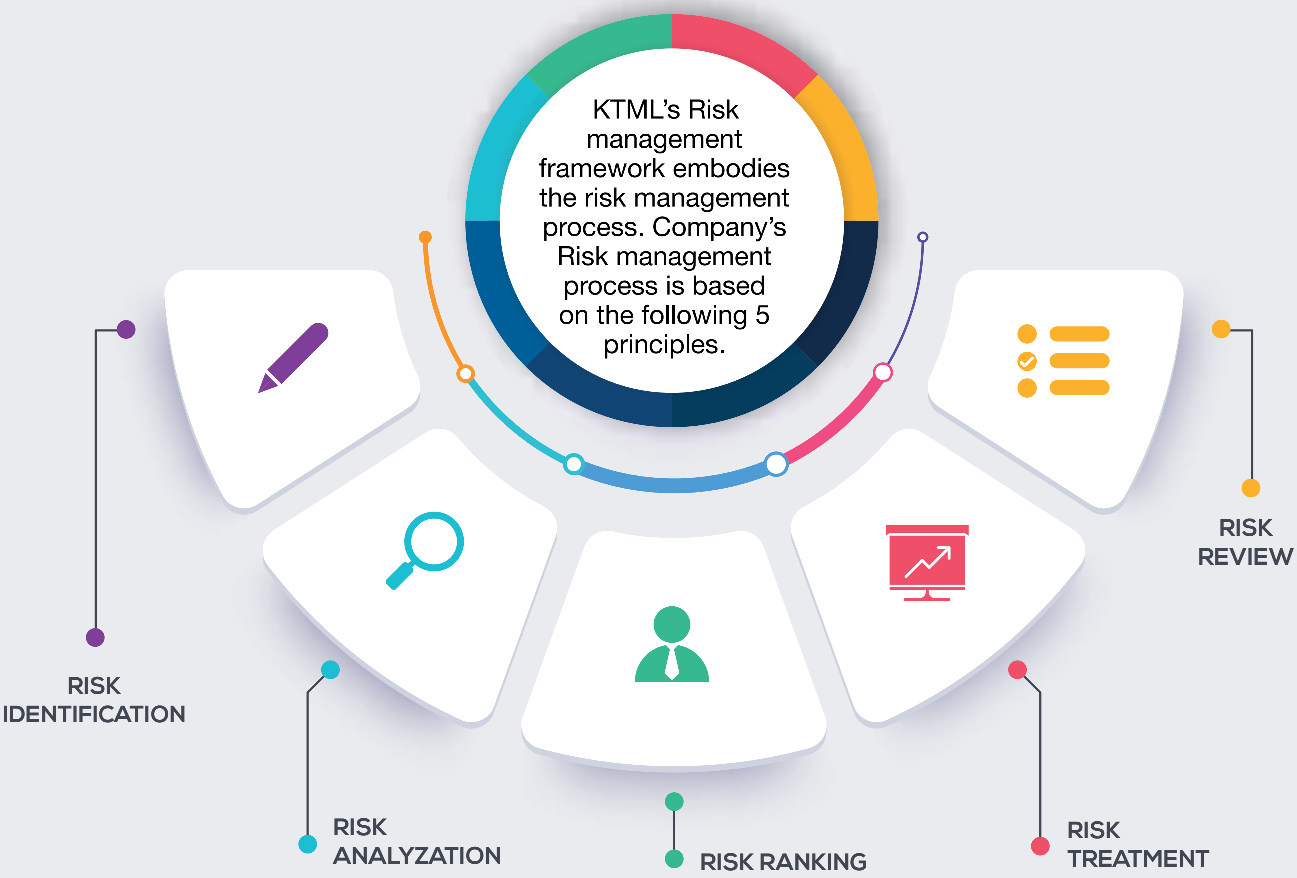
RISK MANAGEMENT FRAMEWORK INCLUDING RISK MANAGEMENT METHODOLOGY



- 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 up gradation 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 4-MW solar power plant in addition to existing 7.2-MW solar plant further provides subsidized 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.

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.

BOARD'S EFFORT FOR DETERMINING AND ASSESSMENT THE COMPANY'S LEVEL OF RISK TOLERANCE

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

PRINCIPAL RISK 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 specialized cross functional teams that routinely discuss key issues and risks to come up with the most forward approach. In response to stiff competition and low margins in export markets, marketing team under the guidance of Management launched an effective market penetration strategy to increase presence in previously untapped markets. To cater to overall inflation, an efficient procurement plan is in place.

LIQUIDITY AND FINANCIAL CAPITAL MANAGEMENT

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

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

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

Kohinoor Textile Mills Limited

SUSTAINABILITY AND CORPORATE

SOCIAL RESPONSIBILITY

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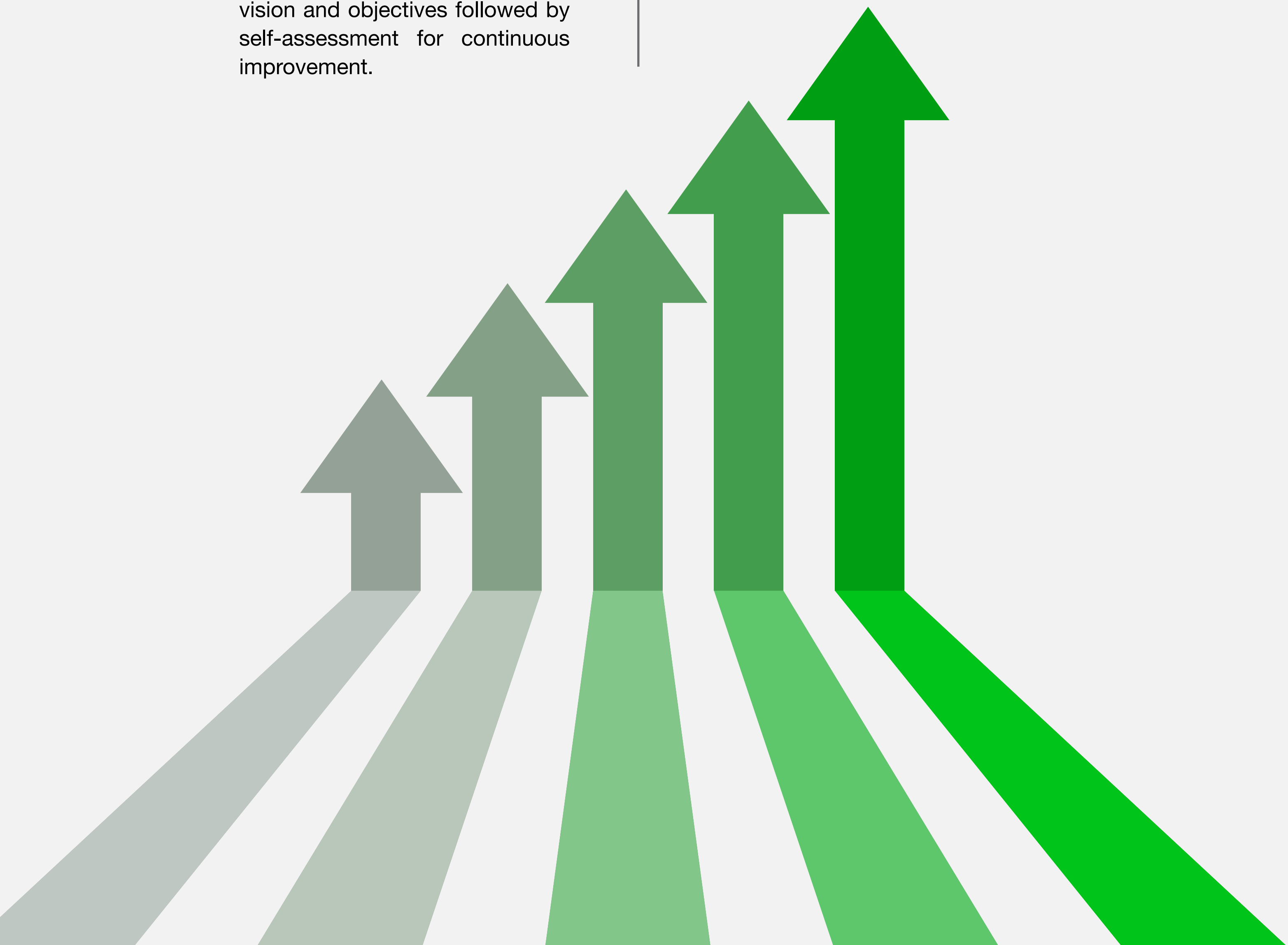
to
HR

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.



SUSTAINABLE DEVELOPMENT GOALS

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

The Goal	What it means to us	Examples of our contribution
End poverty in all its forms everywhere	Our aim is to end all forms of poverty in our domain by assuring social protection, community welfare, providing access to basic services to our employees and the poorest and most vulnerable communities in the areas where we operate.	• Kohinoor Textile Mills Limited (KTML) strongly believes in empowering its people. We ensure market competitive pay packages to our employees and adhere to the minimum wage laws for our human capital. • We realize the importance of giving back to the community, hence our rural development programs continue to uplift the under privileged communities. • 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 • 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.
Ensure healthy lives and promote well-being for all at all ages	We aspire to provide a safe working environment to all our employees and to transform lives by improving access to quality and affordable healthcare services for our employees and the communities where we operate.	• EHS department of the Company ensures that our operations comply with the best practices of Occupational Health, Safety and Environment. • 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 has also contributed 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.
Achieve gender equality and empower all women and girls	We desire to provide fair opportunities to both women and men, create a safe environment for our employees, create equal opportunities and provide equal compensation to all.	• Kohinoor Textile Mills Limited is committed to ensure equal treatment and fair working conditions for employees. We provide same opportunities with equal compensation and benefits to our female employees, which is offered to their male counterparts. • We provide an inclusive environment where everyone feels valued and respected, irrespective of age, gender, race, marital status, disability, religion or belief, color, and nationality. • We have women representation at all levels including the Board of Directors. • We have policies in place that promote harassment-free work place for our female as well as male employees.

The Goal	What it means to us	Examples of our contribution
Ensure availability and Sustainable management of water and sanitation for all	Our aim is to embed the ideology of water conservation in our business strategies in order to conserve the natural capital for a sustainable future.	• KTML believes in responsible consumption of valuable resource of water and makes every effort to reduce its usage and aiming to achieve zero liquid discharge in future, which is currently at 75%. • 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 the surrounding water table. • KTML is regularly arranging tree plantation activities 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.
Ensure access to affordable, reliable, sustainable and modern energy	We aim to increase the use of clean energy at the Company's production facilities.	• We use our power generation infrastructure to conserve as much energy as possible. • The Company remains committed to explore sustainable alternative energy sources which is evident from installation of 11.5MW Solar based power project.
Reduce inequality within and among countries	To reduce inequalities within our domain by providing everyone with equal access to opportunities by using our leadership, network, technologies and solutions.	• 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 policy, we strive to be an equal opportunity employer. • 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.
Ensure sustainable consumption and production patterns	Managing our operations responsibly, decreasing our environmental impact and promoting responsible behavior among all our stakeholders.	• KTML focuses on energy conservation, operational efficiencies and carbon footprint reduction. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed. • To reduce our environmental footprint KTML has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects of industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. • The Company uses Synthetic recycle fiber & natural fiber waste in the production of yarn and has a certification of compliance with Global Recycled Standard (GRS). • The Company continues to meet and exceed the standards required for ISO 14001:2015 and EU-Ecolabel certifications. • Being an environmentally responsive Company, we take pride in promoting sustainable business practices all across our value chain as well as at public forums.
Climate Action	We aim at taking accelerated action on mitigation of the impact of climate change.	• Our responsible use of raw material, efficient technology, emission control procedures and regular tree plantations act towards mitigating the impact of climate change. • As a socially responsible manufacturing concern, we believe in creating awareness towards sustainable practices to protect the climate and environment.

The Goal	What it means to us	Examples of our contribution
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We aim to manage our operations responsibly and ethically. We promote transparency and accountability in our dealings with internal and external stakeholders.	• 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. • From top to bottom, the management of the Company empowers its staff by appreciating their ideas and suggestions. To hear what our shareholders have to say, we have an investor grievance procedure. We engage proactively and transparently with governments and other external stakeholders to support, promote and enforce policies for sustainable development practices.
Quality Management	We aim to maintain our reputation as a high quality supplier.	• Quality control checks occur at all points in the production chain, starting at the delivery of raw material to the factories, through 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. • The Company is ISO 9001:2015 certified and firmly believes in the necessity of Quality Management Systems.

INDUSTRIAL RELATIONS

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

CONSUMER PROTECTION MEASURES

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

INFORMATION TECHNOLOGY

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

SECURITY

The Company maintains its dedication to security, and is fully compliant with the Customs Trade Pact against Terrorism (CTPAT), performing frequent and regular audits to ensure it remains so. All areas of the Company premises are monitored using video 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. 6,105.91 million (2021: Rs. 3,857.43 Million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 81.802 million (2021: Rs. 74.750 Million) to the national treasury by way of export sales.

HUMAN RESOURCE ACCOUNTING

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

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

EMPLOYEES' SATISFACTION

It is essential for a Company to make sure its employees are satisfied with their employers. Similarly, for a company to gain competitive advantage and to benefit from its diverse workforce, it needs to cater the employee satisfaction. To achieve employees' satisfaction, the Company engages in various activities including annual gatherings, formal and informal meetings, surveys, HR engagement and appraisal activities designed to bridge the communication gap between top management and employee. It also results in identification of areas that need improvement, recognize and reward exemplary performance via salary raises 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.

CORPORATE SOCIAL RESPONSIBILITY (HEALTH & EDUCATION)

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

ENERGY SAVING MEASURES

Given the current energy crisis in Pakistan, Kohinoor's management recognizes the importance of the efficient usage of energy in the corporate sector, and has therefore formed an energy committee with the aim of finding more efficient and sustainable methods for generating and managing energy. The Company's processing department has already reaped large benefits through its collaboration with several major multinational chemical suppliers; together they have substantially reduced the usage of water, chemicals, and energy while maintaining or improving quality and environmental standards. The Company hopes that future progress in these projects will yield further reductions in the costs of energy and usage of other resources such as water, etc. Further, in anticipation of increased scarcity and load shedding of natural gas and electricity, the Company is taking steps to further diversify its energy production capabilities, expanding into steam generation via wood, coal and waste heat recovery, and initiating a pilot project in solar heating of water. The Company remains committed to explore sustainable alternative energy sources which is evident from installation of 3MW Solar based power project in Rawalpindi Division.

QUALITY MANAGEMENT SYSTEMS

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

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) PROTECTION MEASURES

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

BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deals that may be supported by kickbacks, and no employees are allowed to run parallel businesses. The Company maintains a system by which any employee can report the non-conformance (NC) to the top management. All NCs reported are addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are permanently resolved. Further, the Company's Internal Audit department is empowered to perform regular and ad-hoc checks and audits of any and all functions 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 in promoting the highest standards of ethical behaviour throughout its business. The management condemns corrupt and fraudulent practices and ensures transparency, integrity and honesty in all aspects of work. Fundamental to this is the adoption of a 'zero tolerance' approach to all forms of corruption and misrepresentation. The entity has strong internal audit functions in place to review the operations in order to detect any potential occurrence of corruption.

WASTE WATER TREATMENT PLANT

Management understands the harmful effects of contaminated water on the surrounding areas after emission from the 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. 6.119 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.

EMPLOYMENT OF SPECIAL PERSONS

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

DIVERSITY AND EQUAL OPPORTUNITY

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

MARKET PRESENCE

In the Company, all employment is strictly done on merit and no preference whatsoever is granted. Kohinoor Textile Mills aggressively contributes in the wellbeing of economy and provide job opportunities to local community. Value creation and growth of the entity is directly linked with these aspects and management has devised stringent 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.

RURAL DEVELOPMENT PROGRAM

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

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

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

SUSTAINABILITY AND SUPPLY CHAIN

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

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

KTML'S purchasing policy aims to cut down on waste and environmental impact along with reduced costs.

PROCUREMENT PRACTICES

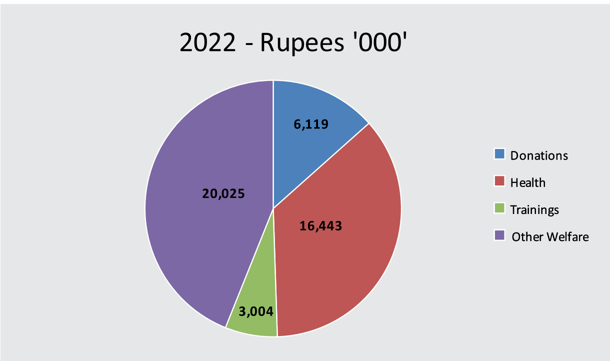
Kohinoor Textile Mills management plays a vital role and devise policies to procure locally so that growth in local economy can be fueled and stimulated. We believe in strategic relationships and have developed strong connections with vendors in the industry. Our Purchase team stays in continuous contact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

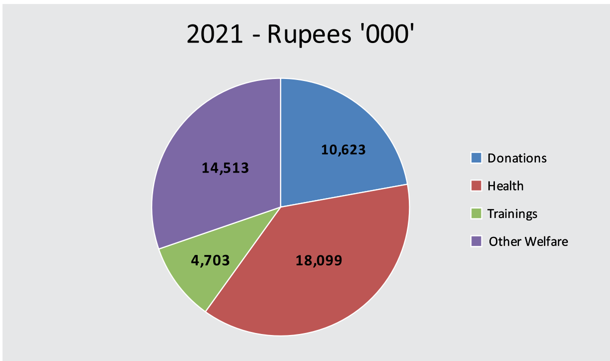
COMMUNITY INVESTMENT AND WELFARE SCHEMES

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

STATEMENT OF CHARITY

	2022	2021
	(Rupees in thousand)	
Donations	6,119	10,623
Health	16,443	18,099
Trainings	3,004	4,703
Other Welfare	20,025	14,513
	45,591	**47,939**





BEST CORPORATE REPORT AWARD

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

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

YEAR	POSITION
2015-2016	First
2016-2017	First
2017-2018	First
2018-2019	Third
2019-2020	Third
2020-2021	2nd

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 in documenting and reviewing the structure, responsibilities, and procedures required to achieve effective quality management in an organization.


Certificate of Approval

This is to certify that the Management System of:

Kohinoor Textile Mills Ltd

Rawalpindi Division, Peshawar Road, Rawalpindi, 46000, Pakistan

has been approved by Lloyd's Register to the following standards:

ISO 9001:2015

Approval number(s): ISO 9001 – 0049984

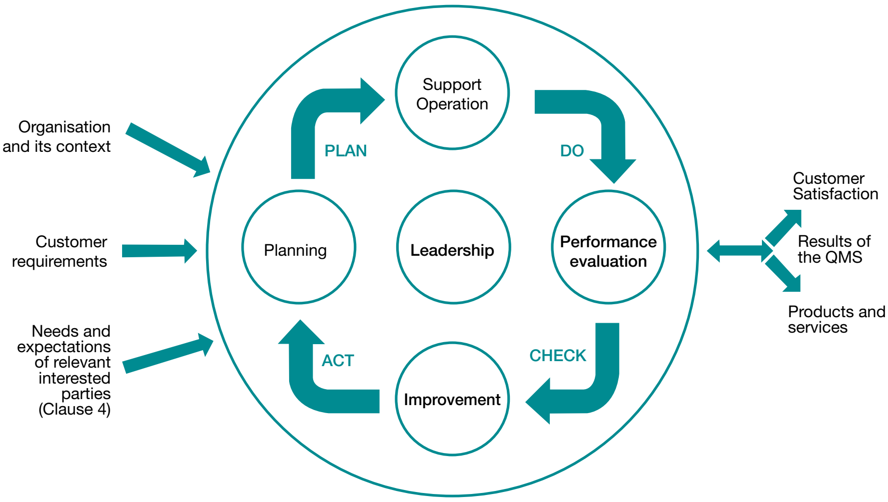
The scope of this approval is applicable to:

Design & Manufacture of Yarn made from Cotton & Man Made Fibres. Fabric Conversion through Bleaching, Dyeing, Printing, Finishing and Stitching for Home Furnishings.

Luis Cunha

Area Operations Manager - SAMEA

Issued by: Lloyd's Register Quality Assurance Limited




Certificate of Approval

This is to certify that the Management System of:

Kohinoor Textile Mills Ltd

Rawalpindi Division, Peshawar Road, Rawalpindi, Pakistan

has been approved by LRQA to the following standards:

ISO 14001:2015

Basem Obaid - Global Head of Training and Improvement Services

Issued by: Lloyd's Register Quality Assurance Limited

Current issue date: 22 June 2021
Expiry date: 13 April 2024
Certificate identity number: 10371711

Original approval(s):
ISO 14001 – 22 July 2015

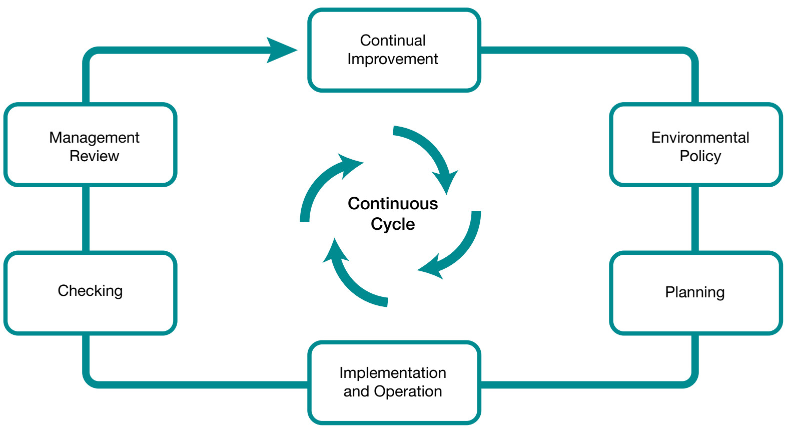
Approval number(s): ISO 14001 – 00016747

The scope of this approval is applicable to:

Design and Manufacture of Yarn made from Cotton and Man Made Fibres. Fabric Conversion through Bleaching, Dyeing, Printing, Finishing and Stitching for Home Furnishings.

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.

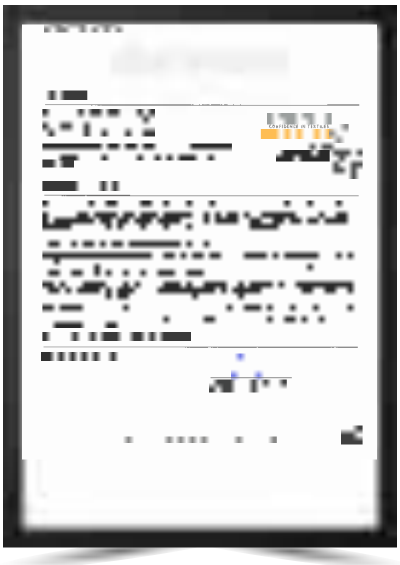


Social Accountability (SA 8000:2014)

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 system 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 organization's environmental management strategy.

HIGG VFEM INDEX			
Modules	Achieved Scores		
	2019	2020	2021
Environmental Management	67	71	72
Energy	85	95	96
Water	68	95	96
Waste	18	18	18
Wastewater	75	75	75
Air	18	38	48
Chemicals Management	55	62	65
Average	**55**	**65**	**75**

CORPORATE EVENTS
JUL-2021 TO JUN-2022

28-Set 2021
Annual General Meeting 2021

02-Sep 2022
Announcement of annual results for year 2022

23-Feb 2022
Declaration of Half Yearly Accounts-2022

13-Aug 2021
Final Dividend 2021 Declared @ Re. 1 / Share

23-Feb 2022
Interim Dividend 2021-22 Declared @ Re. 1 / Share

22- Oct 2021
Declaration of 1st Qtr Accounts – 2022

20-Apr 2022
Declaration of 3rd Quarter Accounts-2022

NOTABLE EVENTS 2022

14-AUG-21

14TH AUGUST CELEBRATIONS

On that day, people all over Pakistan celebrated Independence Day like a festival with great patriotic zest. At Kohinoor Textile Mills Limited (KTML), there was a ceremony with the raising of National Flag on the main building followed by cake cutting, and other activities.

12-OCT-21

BREAST CANCER AWARENESS SESSION

For female employees, workers, and the spouses of male employees, KTML has organised a “Breast Cancer” awareness session. Doctors, breast cancer survivors, and cancer patient counsellors had addressed the session. All the participants were presented with giveaways.


09-NOV-21

IQBAL DAY

KTML has organized and celebrated Iqbal's day, the "Poet of the East". A tribute was given to him by acknowledging his contributions towards "Two Nation's Theory", "The philosophy of Khudi (self hood)" and energetic spirit of "Islam".



25-DEC-21

CHRISTMAS CELEBRATIONS

KTML has celebrated the grand festival of Christmas on Saturday showing traditional zeal and enthusiasm with our christian community. Special cake cutting ceremony was arranged at KTML to share the happiness of the festival with the Christian staff members and acknowledge their contributions.

NOTABLE EVENTS 2022

27-JAN-22

PSL LIVE SCREENING

In the quest of recreational activities for our employees, KTML has organised 'Live screening of PSL' at Kohinoor Wellness Club, in order to celebrate the thrilling and exciting moments of Pakistan Super League matches.

08-MAR-22

WOMEN'S DAY CELEBRATIONS

Women's Day is a global day celebrating the social, economic, cultural and political achievements of women. KTML has arranged Women's Day to acknowledge women's contribution in every aspect of the industry. KTML memorized the moments with activties and giveaways.

31-MAR-22

HODS MEETUP

Informal meetings may help to advance the organisational objectives of a company. KTML has arranged a monthly informal meetup (Kohinoor Knights) that provides an opportunity to get to know their Head of Departments on a more personal level, encouraging and empowering associates to share opinions and views and help them in communicating ideas and new changes easily and effectively.

17-JUN-22

JOB FAIR

A form of public interaction where KTML communicates face-to-face with potential candidates, eliminating the uncertainty about what is written on their resumes right away.

Kohinoor Textile Mills Limited

GOVERNANCE

WWW.KMLG.COM/KTML

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 54th Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on Thursday, October 27, 2022 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, 2022 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2) To approve interim cash dividend already paid at Re. 1/- per share i.e. 10% for the year ended June 30, 2022.

3) To appoint Auditors for the year ending on June 30, 2023 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, 2022 to October 31, 2023 (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 September 28, 2021 by the shareholders, the Company was authorized to extend a facility of similar

nature to the extent of Rs. 1,000 million which is valid till October 31, 2022.

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, 2022 to October 31, 2023 (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 September 28, 2021 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2022.

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, 2022 by passing the following special resolution with or without modification:-

"Resolved that the transactions conducted with the Related Parties as disclosed in the note 37 of the unconsolidated financial statements for the year ended June 30, 2022 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, 2023 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, 2023.

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

BY ORDER OF THE BOARD

Lahore:
October 06, 2022

(Muhammad Ashraf)
Company Secretary

NOTES

1. The Share Transfer Books of the Company will remain closed from October 21, 2022 to October 27, 2022 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on October 20, 2022 will be considered in time 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. Members holding aggregate 10% or more shareholding, residing in a city other than Lahore, may demand the facility of video link for participation in the Annual General Meeting.

   In this regard, please fill the following and submit at the Registered Office of the Company situated at 42-Lawrence Road, Lahore, at least 07 days prior to the date of Annual General Meeting.

   "I/We, ____________________ of ________________________________, being a member of Kohinoor Textile Mills Limited, holder of __________ Ordinary Share(s) as per Registered Folio / CDC A/c # ____________ hereby opt for video conference facility at __________

   ____

   Signature of Member(s) / Attorney"

   (Please affix also company stamp, in case of corporate entity)

5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of Board Resolution/power of attorney (in case of corporate shareholders) through email at muhammad.ashraf@kmlg.com by October 24, 2022: -

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

6. 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, 2022 are available on website of the Company. Further, the Company has sent its Annual Report 2022 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.

7. 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 and the Companies (Distribution of Dividends) Regulations, 2017, provide their bank details including International Bank Account Number (IBAN) of 24 digits in order to receive unclaimed e-dividends. Further, shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;

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. 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 Limited.

e. 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 Limited, 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 October 27, 2022.

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 September 02, 2022 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility to MLCFL on the basis of profit/ financial statements of MLCFL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCFL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

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

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

(A) Regarding associated company or associated undertaking: -

Ref. No.	REQUIREMENT	INFORMATION		
(i)	Name of associated company or associated undertaking;	Maple Leaf Cement Factory Limited (the "MLCFL")		
(ii)	Basis of relationship;	MLCFL is a subsidiary of Kohinoor Textile Mills Limited (the "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**
		30.06.2020	(5.30)	(5.30)
		30.06.2021	5.69	5.69
		30.06.2022	3.30	3.30
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2022 With revaluation surplus Rs. 36.93 Without revaluation surplus Rs. 34.69		
(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 2022 the financial position of MLCFL is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up capital	10,983,462	
		Capital reserves	6,092,384	
		Accumulated profit	21,023,202	
		Surplus on revaluation of fixed assets–net of tax	2,459,967	
		Current liabilities	16,193,391	
		Current assets	20,321,989	
		Sales - Net	48,519,622	
		Gross profit	12,275,466	
		Operating profit	8,924,538	
		Net profit	3,626,340	
		Earnings per share (Rs.)	3.30	

(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, 2022 to October 31, 2023.</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, 2023</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.1,000 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 September 28, 2021 which is valid till October 31, 2022. 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 5.08% for the year ended June 30, 2022.
(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, 2022 to October 31, 2023 (both days inclusive). MLCFL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2023.

Disclosure under Regulation 4(1):

Eight Directors including 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	4.2395
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	0.0164	10.5379
Mr. Taufique Sayeed Saigol	0.0015	14.9110
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

Disclosure under Regulation 4(2):

Name of Investee Company	Maple Leaf Cement Factory Limited
Total Investment Approved:	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on September 28, 2021 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to MLCFL from time to time as per working capital requirements to MLCFL upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loan/advances of Rs. 1,000, as per latest financial statements for the period ended June 30, 2021, the basic earnings per share was Rs. 5.69 and breakup value per share (without surplus) was Rs. 31.37. As per latest financial statements for the year ended June 30, 2022, the basic earnings per share is Rs.3.30 and breakup value per share (without surplus) is Rs. 34.69.

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 September 02, 2022 has approved Rs. 1,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

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

(A) Regarding associated company or associated undertaking: -

<table>
<tr><th>Ref. No.</th><th>REQUIREMENT</th><th>INFORMATION</th></tr>
<tr><td>(i)</td><td>Name of associated company or associated undertaking;</td><td>Maple Leaf Capital Limited
(the “MLCL”)</td></tr>
<tr><td>(ii)</td><td>Basis of relationship;</td><td>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.</td></tr>
<tr><td>(iii)</td><td>Earnings per share for the last three years;</td><td><table><tr><th></th><th colspan="2">(Rupees)</th></tr><tr><th>Year</th><th>Basic</th><th>Diluted</th></tr><tr><td>30.06.2020</td><td>(2.04)</td><td>(2.04)</td></tr><tr><td>30.06.2021</td><td>13.66</td><td>13.66</td></tr><tr><td>30.06.2022</td><td>(15.65)</td><td>(15.65)</td></tr></table></td></tr>
<tr><td>(iv)</td><td>Break-up value per share, based on latest audited financial statements;</td><td>As on June 30, 2022 is Rs. 12.72</td></tr>
<tr><td>(v)</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;</td><td>Based on the audited financial statements for the financial year ended 30 June 2022, the financial position of MLCL is as under: -<table><tr><th>Particulars</th><th>Amount Rupees (000)</th></tr><tr><td>Paid up capital</td><td>3,015,000</td></tr><tr><td>Reserves</td><td>820,755</td></tr><tr><td>Total equity</td><td>3,835,755</td></tr><tr><td>Current liabilities</td><td>1,189,815</td></tr><tr><td>Current assets</td><td>4,516,670</td></tr><tr><td>Revenue in loss</td><td>4,711,007</td></tr><tr><td>Loss from operations</td><td>5,149,711</td></tr><tr><td>Loss after taxation</td><td>4,717,768</td></tr><tr><td>Loss Per Share Rupees</td><td>15.65</td></tr></table></td></tr>
</table>

(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, 2022 to October 31, 2023.</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, 2023</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.1,000 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 September 28, 2021 which is valid till October 31, 2022. 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 5.08% for the year ended June 30, 2022.
(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, 2022 to October 31, 2023 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2023.

Disclosure under Regulation 4(1):

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. Tariq Sayeed Saigol	5.0249	4.2395
Mr. Taufique Sayeed Saigol	8.3748	14.9110
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	10.5397
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

Disclosure under Regulation 4(2):

Name of Investee Company	Maple Leaf Capital Limited
Total Investment Approved:	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on September 28, 2021 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to MLCL from time to time as per working capital requirements to MLCL upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loan/advances of Rs. 1,000, as per latest financial statements for the period ended June 30, 2021, the basic earnings per share was Rs. 13.66 and breakup value per share was Rs. 28.36. As per latest financial statements for the year ended June 30, 2022, the basic loss per share is Rs.15.65 and breakup value per share is Rs. 12.72.

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, 2022 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 37 to the unconsolidated financial statements for the year ended June 30, 2022. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2022	2021
			Rupees in thousand	
Maple Leaf Cement Factory Limited	Subsidiary Company	Purchase of goods and services	101,341	144,968
		Sale of property, plant and equipment	-	3,533
		Expenses paid by MLCFL on behalf of the Company	1,948	5,265
		Common expenses	21,666	14,050
Maple Leaf Capital Limited	Subsidiary Company	Loan repaid	-	445,216
		Mark-up on loans obtained	-	2,004
		Advances	700,000	-
		Repayment of advances	700,000	-
		Mark up charged on advances	7,088	-
		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	74,246	65,616

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%] (2021: 73,390,896) and 55,256,992 [18.46%] (2021: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (2021: Rupees 146,781,792) and Rupees 102,054,984 (2021: Rupees 99,279,984) 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, 2023:

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2023 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, 2023, 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, 2022 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2021-22. 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 2022 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2022, 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	Tariq Sayeed Saigol
02 September 2022	Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors are pleased to present 54th Annual Report along with audited financial statements and Auditors' Report thereon for the year ended 30 June 2022.

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

In the period under review, when compared with the previous year, improvement in the Company's results has been significant. Driven by stimulus payments to companies and individuals across the developed world, huge increases in commodity rates drove retail prices across the board; the Home Textiles and Garment industries were particular beneficiaries as consumers – often stuck at home due to the pandemic – shifted significant portions of their budgets toward home improvement and lounge clothing. As the Company had covered its raw material requirements early, it was well-placed to take advantage of these developments.

The last quarter of the financial year saw the beginning of return to normality, with governments across the world abandoning lockdowns, reopening of eating and recreation establishments, as well as, revival of travel around the world. This led to reduction of demand for textile products and return to previous levels of profitability.

As consumer demand has returned to traditional purchasing patterns, retailers have been left with high inventory levels, resulting in unfavourable market conditions as demand for manufacturing slows. Consumer demand has been further impacted by high inflation and energy costs, partially driven by the ongoing issues in Ukraine. Interest rate rises, coupled with very high energy prices, are adding a significant burden to the Pakistani manufacturing sector. All this against a backdrop of significant political uncertainty and a rapidly devaluing and fluctuating rupee has made for difficult trading conditions.

However, the most worrying threat to the textile industry in the current financial year comes from harsh climate conditions worldwide and in Pakistan, which has resulted in large drops in the predicted size of the cotton crop, leading to a significant escalation in cotton prices, both at home and in markets worldwide. These factors will lead to lower profitability in the coming financial year. However, we believe our investments and expansions across our production sites will keep the Company profitable, albeit at a lower level.

The Company continues to invest in improving its infrastructure, plant and machinery with a focus on quality and capacity increases, as well as diversification of its product lines, keeping in view its quest for long-term sustainable growth. The expansion project at the Company's Gujar Khan site has now successfully started operations with high productivity and quality products which should augment the Company's profits going forward. Further, in keeping with its focus on becoming a "green" company, KTML continues to rapidly expand its renewable energy capacity, investing significantly in further solar energy generation. The Company also continues to invest in water recycling technologies with a long-term goal of building a closed-loop system.

FINANCIAL REVIEW

During the year under review, Company's sales increased by 32% to Rs. 39,558 million (2021: Rs. 29,956 million), while cost of sales increased by 23% to Rs. 29,389 million (2021: Rs. 23,823 million). This resulted in gross profit of Rs. 10,169 million (2021: Rs. 6,133 million). Operating profit for the year under review stood at Rs. 7,380 million (2021: Rs. 4,061 million). The Company recorded after tax profit of Rs. 4,741 million (2021: Rs. 2,756 million). Earnings per share for the year ended 30 June 2022 stood at Rs. 15.84 against Rs. 9.21 for the last year.

GROUP FINANCIAL REVIEW

During the year under review, Group's consolidated revenue increased to Rs. 87,977 million (2021: Rs. 65,451 million), while cost of sales increased to Rs. 63,848 million (2021: Rs. 49,998 million). This resulted in gross profit of Rs. 24,128 million (2021: Rs. 15,453 million). Earnings per share for the year ended 30 June 2022 were Rs. 12.93 against Rs. 28.26 for the last year.

DIVIDEND & APPROPRIATIONS

During the year the Company has paid interim cash dividend at Re. 1/- per share (10%). Future prospects of dividend are dependent on future profitability and economic conditions.

The Directors recommend as under:

Description	Rs. "000"
Profit before taxation	6,575,626
Provision for taxation	(1,834,903)
Profit after taxation	4,740,723
Final dividend declared for the year ended 30 June 2021	(299,296)
Interim dividend declared during the year ended 30 June 2022	(299,296)
Accumulated profit brought forward	10,856,251
Accumulated profit carried forward	**14,998,382**

SUBSEQUENT EVENTS

Monsoon rains which have caused devastating floods in Pakistan during last few weeks, leaving millions homeless and destroying infrastructure are a major concern and it is uncertain how the economy will be impacted. A comment on this major development would be premature at this early stage.

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

The Company believe that investments and expansions across production sites will keep the Company profitable. So, the Company continues to invest in improving its infrastructure. The expansion project at the Company's Gujar Khan site has now successfully started operations with high productivity and quality products. Further, in keeping with its focus on becoming a "green" company, KTML continues to rapidly expand its renewable energy capacity, investing significantly in further solar energy generation. The Company has planned to add another 96 looms and 384 MVS spindles at Kohinoor Raiwind and Kohinoor Rawalpindi site by the end of November 2022 and February 2023, respectively.

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.


7

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 and 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.

Further, being a responsible citizen, the Company is planning to execute KTML Flood Relief Drive at organizational level to support the families and communities affected by recent devastating floods in Pakistan

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

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

ADEQUACY OF INTERNAL CONTROL

The Board of Directors is aware of its responsibility with respect to internal controls environment and

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

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

AUDITORS

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

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

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a)	Male	8
b)	Female	1

Composition:

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

DIRECTORS AND BOARD MEETINGS

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

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

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

AUDIT COMMITTEE

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

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

Leave of absence was granted to the Members who could not attend the Audit Committee Meetings.
Mr. Shafiq Ahmed Khan, the Chairman Audit Committee attended the last AGM held on September 28, 2021.
Board Annually Evaluates the performance of Board Committees including Audit Committee.

HUMAN RESOURCE AND 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)

One meeting of Human Resource and Remuneration Committee was held on October 25, 2021. Messrs Zulfikar Monnoo and Sayeed Tariq Saigol did not attend the meeting. However, leave of absence was granted to them.

The Board shall consider to constitute the Nominee Committee and Risk Management Committee after next election of Directors.

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 36 of the Standalone Financial Statements.

FUTURE OUTLOOK

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

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2022 is annexed.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Lahore 02 September 2022	(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, 2022**

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 the Regulations;

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

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

9. 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. Taufique Sayeed Saigol	Exempted from Directors' Training Program
3.	Mr. Sayeed Tariq Saigol	Director of the Company since 1998
4.	Mr. Waleed Tariq Saigol	Director in Maple Leaf Cement Factory Limited (MLCFL) since 2004
5.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program
6.	Ms. Jahanara Saigol	Appointed on the Board of the Company on April 23, 2020 and Director in MLCFL since December 31, 2019. Directors' Training Program is non-mandatory and compliance will be made in due course.
7.	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, 2022.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended June 30, 2022.

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: 02 September 2022

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KOHINOOR TEXTILE MILLS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kohinoor Textile Mills Limited (the Company) for the year ended 30 June 2022 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 2022.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad
Date: 12 September 2022
UDIN: CR20221018702qZ56dDJ

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 2021-2022. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1) 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 2022-2023.

On behalf of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
02 September 2022

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

CHAIRMAN / DIRECTOR
TRG Pakistan Limited

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

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

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

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf 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 31 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
Maple Leaf Power Limited
Maple Leaf Capital Limited

NOMINEE DIRECTOR
Greentree Holdings Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with over 33 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.

CORPORATE BRIEFING

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.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

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

RELATED PARTY TRANSACTIONS

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

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

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, General Manager (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary. Since the previous Directors' Report, the transactions in shares were noted as under: -

Name & Designation	No. of Shares	Nature of Transaction
Mr. Tariq Sayeed Saigol- Chairman/Director	40,500	Purchased from Stock Market
Mr. Taufique Sayeed Saigol- Chief Executive / Director	1,203,000	Purchased from Stock Market
Mrs. Shehla Tariq Saigol Spouse of Mr. Tariq Sayeed Saigol	1,162,500	Purchased from Stock Market

Further, none of the other Directors, CFO, General Manger (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company other than as disclosed above.

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

No issue was raised by the valued shareholders in the last Annual General Meeting held on September 28, 2021 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.


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ROLE OF CHAIRMAN AND THE CEO

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

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

CHAIRMAN'S SIGNIFICANT COMMITMENTS

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

MATTERS DECIDED BY THE BOARD OF DIRECTORS

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

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

MATTERS DELEGATED TO THE MANAGEMENT

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

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

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.

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.

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; and

(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')

i. Recommending human resource management policies to the Board;

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

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

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

MANAGEMENT COMMITTEES & TERMS OF REFERENCE

PROJECT MANAGEMENT COMMITTEE

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

MEMBERS

Director

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

Terms of reference

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

NO. OF MEETINGS HELD: 18

BUSINESS PROCESS REENGINEERING COMMITTEE

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

MEMBERS

Director

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

Terms of reference

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

ENERGY MANAGEMENT COMMITTEE

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

MEMBERS

Director

Head of Department	–Engineering
Head of Department	–Finance
Head of Department	–Production
Head of Department	–Marketing

Terms of reference

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

incorporates energy efficiency, water conservation, waste minimization, pollution prevention, resource efficient materials and indoor air quality in all phases of a building's life.
- EMC design plans that help us meet our climate protection commitments.
- The appointment of a full time energy management coordinator ensures the plan proceeds.
- Responsible for energy procurement, monitoring and targeting energy savings, maintaining program of energy saving measures, raising energy awareness and corporate wide energy monitoring and reporting.

TOTAL QUALITY MANAGEMENT COMMITTEE

Total Quality Management (TQM) committee is formed to improve quality at every level in the organization. TQM is an organization wide program aimed to ensure standardization and continual improvement in all its products, services, processes & procedures. This program lays down the Quality Management standards for all the processes & 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.

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.


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OTHER CORPORATE MATTERS

ANNUAL EVALUATION OF BOARD PERFORMANCE

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

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

EVALUATION CRITERIA OF BOARD PERFORMANCE

Following is the main criteria:

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

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

PERFORMANCE REVIEW OF BOARD COMMITTEES

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

CEO'S PERFORMANCE REVIEW

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

BOARD'S REVIEW OF BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

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

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

- To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.

- To ensure that a Business Continuity Recovery Team includes representatives from all business units.
- To provide ongoing business continuity training to all employees, including executive management and the Board.
- Ensure that thorough current business impact analysis and risk assessments are maintained.
- Ensure a centralized executive view of the business continuity plan and programs.

CONFLICT OF INTEREST MANAGEMENT POLICY

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

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

MANAGEMENT OF CONFLICT OF INTEREST

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

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

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

INVESTORS’ GRIEVANCES POLICY

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

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

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

SAFETY OF RECORDS

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

- To ensure that the Company's Records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the Company's Records through the development of a coordinated records Management program;
- To ensure preservation of the Company's Records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required, and disposed of in accordance with the record retention policy and retention schedules and
- Records and information are owned by the Company, not by the individual or team.

IT GOVERNANCE POLICY

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

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

GOVERNANCE OF RISK AND INTERNAL CONTROLS

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

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

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

EMPLOYEE HEALTH, SAFETY AND PROTECTION

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

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

PROVIDING REASONABLE OPPORTUNITY TO THE SHAREHOLDERS FOR PARTICIPATION IN THE AGM

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

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

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

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

Design and Integration of Core Business Processes in a Single Information System

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

Management's support in continuous updating of ERP System

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

Oracle User Trainings

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

Management of Control Risk Factors on ERP Projects

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

System Security and access controls

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

HUMAN RESOURCE MANAGEMENT

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

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

Further to note no.41 of standalone Financials of the Company for year ended 30 June 2022, factory employees are as follows.

2022	2021
5,651	5,475

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 KTML, we look for people who exemplify continuous improvement when we are spotting future successors. In this relation, the Company also expends a lot in terms of finances and time for the training of its resources as is evident from the below trainings held during the year:

- Emotional Intelligence
- Effective Communication Skills
- Project Management
- Supply chain management
- Simatic Program Logic Controllers
- Situational Leadership II
- Building Impactful Brands
- Benchmarking Session
- Management Development Program
- HSE Emergency Response Training
- 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:

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

In Kohinoor, no whistle blowing related incidence was highlighted and reported under the above said procedures during the year.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

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

Following additional governance practices implemented by the management include:

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

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

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

Moreover, the Company has also decided to place its 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.


KTM
Kohinoor Textile Mills Limited

DISCLOSURES ON IT GOVERNANCE
AND CYBERSECURITY

DISCLOSURES ON IT GOVERNANCE AND CYBER SECURITY

EVALUATION AND ENFORCEMENT OF LEGAL & REGULATORY IMPLICATIONS OF CYBER RISKS

The internet knows no borders, neither do we. Our expert team work across borders, combining data protection, privacy, regulatory, white collar and litigation expertise in order to deliver seamless crisis management and legal advice, whenever and wherever needed. As part of its evaluation of all risks facing the business, the Management has also evaluated the cyber risks and enforcement of legal and regulatory implications in case of any breaches. KTML has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy. Currently, in the context of the Company's operation, the Management has assessed cyber risk at a low level.

IT GOVERNANCE AND CYBER SECURITY PROGRAMS

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

CYBERSECURITY AND BOARD'S RISK OVERSIGHT

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

CONTROLS ON EARLY WARNING SYSTEM

Company's controls and procedures about an "Early Warning System" that enables the company to identify, assess, address, make timely disclosures and timely communications to the IT steering committee about cybersecurity risks and incidents . KTML has implemented early warning control systems like:

1. Network Monitoring & Management information system (PRTG) which monitors and provides prompt alerts/warnings against Outage, Uptime, and other Quality of Service (QoS) parameters. Followings are few critical areas being monitored:

   a) Servers health and its Services Statuses
   b) Company-wide Internet
   c) Company-wide wired and wireless network connectivity
   d) Solar IOT's and interconnected devices

2. Primary Data Center Fire Alarm System provides necessary alerts on smoke/fire
3. Primary Data Center Fire Suppression System (FM200) provides necessary alerts including automatic fire suppression system
4. Primary Data Center Environment Monitoring System provides alerts against humidity, temperature, rack door, smoke, and water leakage
5. Disaster Recovery (DR) Site Environment Monitoring System using IoT based alerts and monitoring system for door, smoke, temperature, humidity & water leakage
6. Face/Thumb impression & proximity card based access control system installed at Primary & DR site

POLICY RELATED TO INDEPENDENT SECURITY ASSESSMENT OF TECHNOLOGY ENVIRONMENT

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

CONTINGENCY AND DISASTER RECOVERY PLAN

The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups at remote sites. The Disaster Recovery Plan is regularly tested to ensure the readiness of the IT systems in case of any disaster. Resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance are as follows:

- Signature based latest firewall has been installed with live updates of signatures & patterns to mitigate any type of breach or cyber-attack.
- Antivirus and Spam engine (Amavisd) installed in Email server for detection, prevention of viruses and spams.
- Enterprise End-Point Security solution (Trendmicro Office Scan) installed on company-wide computers/laptops to protect and monitor users from viruses, ransomwares, malwares, etc.
- Real Time replication from Primary to DR Site for all critical servers and services.
- Physical backup of important and critical data on removable media to be protected in fireproof cabinet at DR site.
- Critical IT equipment is insured against fire, theft and accidents.

ADVANCEMENT IN DIGITAL TRANSFORMATION TO IMPROVE TRANSPARENCY AND GOVERNANCE

KTML has taken various initiatives by transforming some of its functions digitally. KTML has adopted cloud-based technologies for its communication domains and business analytics.

EDUCATION AND TRAINING TO MITIGATE CYBER SECURITY RISKS

- Regular security awareness information & risk related articles are being shared with system & network staff.
- Security awareness emails are circulated to IT users and/or to all users on regular basis to educate about important and/or latest security threats.

FUTURE OUTLOOK

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FORWARD LOOKING STATEMENT

The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The production costs have increased due to non-controllable factors like rising energy cost, Pak Rupee devaluation and inflation, but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values. 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 2022-23 Rs. in Million
Revenue	50,809
Gross Profit	7,798
Profit from operations	4,646

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.

SOURCES OF INFORMATION AND ASSUMPTION

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 solar projects at Rawalpindi and Gujar Khan site, which enhanced Company's total Solar capacity to 11.5 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. 40 Billion Sales Revenue (2021: Rs. 30 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.

ARIAL VIEW OF
KTML SOLAR PARK

STAKEHOLDERS RELATIONSHIP

AND ENGAGEMENT

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STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

POLICY FOR STAKEHOLDERS' ENGAGEMENT

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

BOARD'S INTERACTION WITH MAJOR SHAREHOLDERS

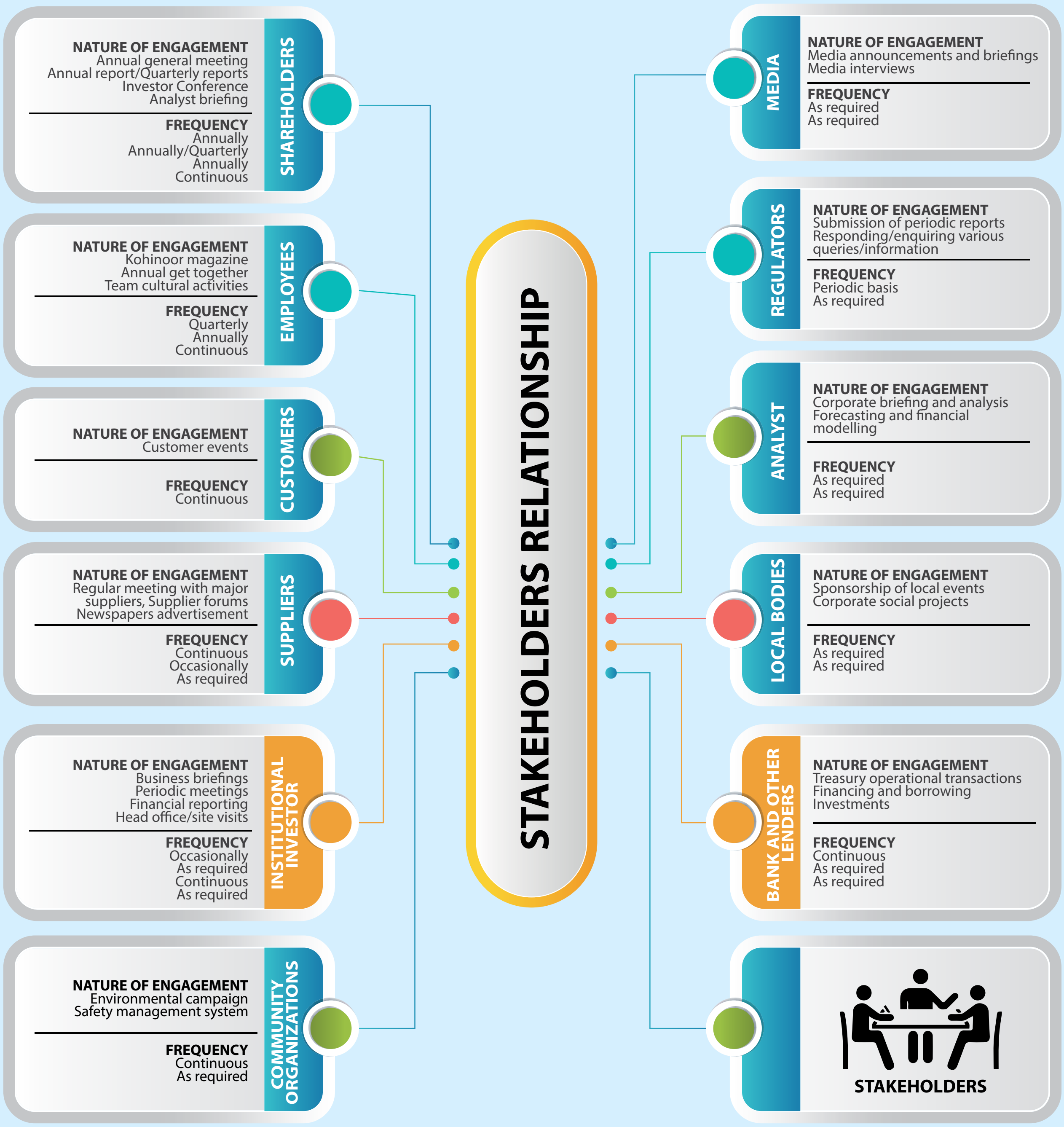
The Board has devised a mechanism to arrange interactive sessions between management of the Company and its shareholders to solicit and understand views of shareholders. It includes management briefings to its shareholders about the performance of the Company, macro and micro economic factors affecting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

PROCEDURES FOR STAKEHOLDERS ENGAGEMENT

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

ENGAGEMENT FREQUENCY

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



STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

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

SIGNIFICANT CORPORATE BRIEFING SESSIONS

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

- Corporate Briefing Session (September 2021)
- Corporate Briefing Session (February 2022)
- Corporate Briefing Session (March 2022)

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

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

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

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

Kohinoor Textile Mills Limited

BUSINESS MODEL

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BUSNIESS MODEL

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

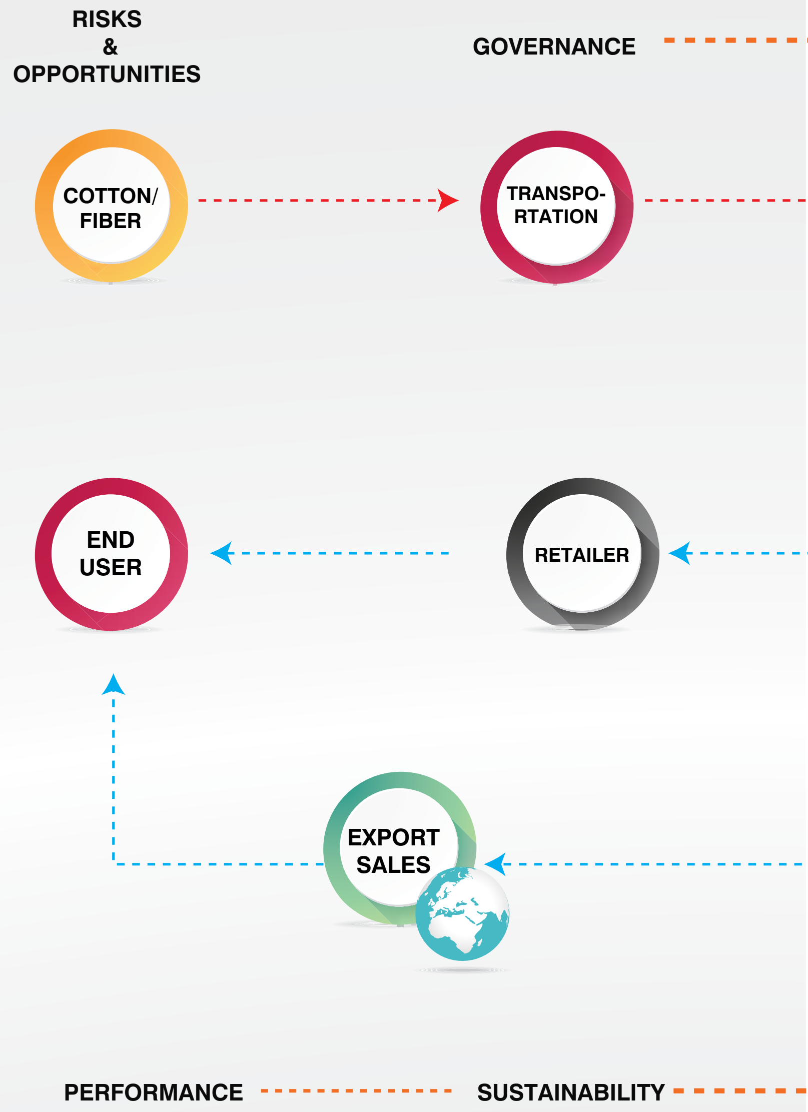
OUR CAPITALS (INPUTS)	OUR BUSINESS ACTIVITIES

Financial Capital (Rs. In
Equity Rs. 24,300Million
Total Assets Rs. 26,098
Long term Loans Rs. 5,165

Manufacturing Capital:
158,544 Ring spindles installed
384 MVS spindles installed
2,712 Rotors Installed
288 Looms

Intellectual Capital: Enterprise Resource Management (ERP) Software
Human Capital: 5,651 Number of Persons employed
Social and relationship Capital: Efficient Marketing Department
Supply Chain Department
Financial Institution

Natural Capital (Rs. In thousand):
21,550,452 Raw Material Consumed
3,198,929 Fuel Consumed
1,603,002 Stores, Spares parts and loose tools consumed



INDUSTRY, INNOVATION AND INFRASTRUCTURE

DECENT WORK AND ECONOMIC GROWTH

AFFORDABLE AND CLEAN ENERGY

OUR CAPITALS (OUTPUTS)

Yarn Produced (Kg in '000): 88,711

Cloth produced (Meter in '000) : 32,031

Cloth Processed (Meter in '000): 15,162

OUTCOMES:

Financial Capital:
Rs. 6,106 Million contribution to national ex chequre Rs. 50 share price at year end
Rs. 1 per share interim cash dividend declared in FY 2022
Rs. 39,558 Million Net sales
USD 81.802 Million Earned through export sales

Manufacturing Capital Vertically integrated Textile Unit
Human Capital Rs. 2,860 Million salaries and wages paid
Social & Relationship Capital Rs. 6.119 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

KTM
Kohinoor Textile Mills Limited

STRIVING FOR EXCELLENCE

IN CORPORATE REPORTING

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COMPLIANCE WITH INTERNATIONAL INTEGRATED REPORTING FRAMEWORK (IR)

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

The Company has adopted the International Integrated Reporting (IR) Framework to give an overview of the Company's business affairs by presenting all the financial and non-financial information considering the variable interests of a wide range of stakeholders. The management is committed to achieve excellence in transparent reporting in all aspects. The Company annually reviews the IR Framework to continuously improve the quality of information produced, and communicates its operations, brand, and financial structure to the stakeholders. Furthermore, the Company is prepared to manage any risk that may affect the long-term sustainability of the business and has progressed ahead in this Report to incorporate all 8 core Content Elements of IR Framework:-

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

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

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

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

The Report has been prepared in compliance of :-

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

Core guidelines of the Integrated Reporting Framework issued by the IIRC

ANALYSIS OF THE FINANCIAL
INFORMATION

FINANCIAL REVIEW

FINANCIAL RESULTS

CURRENT VS PREVIOUS

Financial highlights of key operating results for the year 2021-22 are as follows:

Particulars	2022	2021
	(Rs. In Million)	
Equity	24,300	20,157
Capital Employed	28,621	23,356
Revenue	39,558	29,955
Gross Profit	10,169	6,133
Profit from operations	7,380	4,061
Net Profit before Tax	6,576	3,398
Operating Cash Flows	3,416	2,898
Investing Cash Flows	(3,359)	(1,617)
Financing Cash Flows	3	(1,218)

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

- Equity increased by 21% from Rs. 20,157 million (2021) to Rs. 24,300 (2022) 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 2022 compared with the projections / budget is as under.

Particulars	Actual	Budget
	2022	2022
	(Rs. In Million)	
Revenue	39,558	37,653
Gross Profit	10,169	7,110
Profit from operations	7,380	4,705

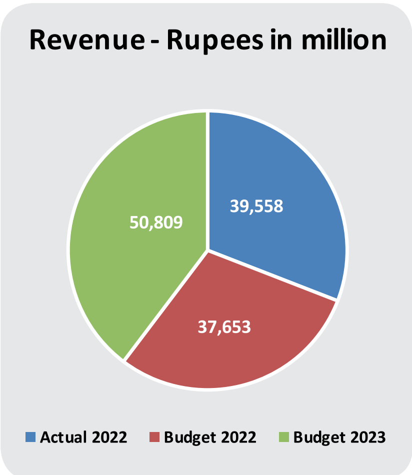
Actual position remained ahead of budgetary targets due to extraordinary efforts in all critical contemporary areas of performance.

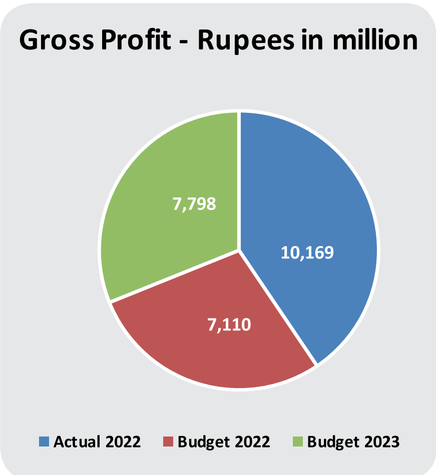
SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

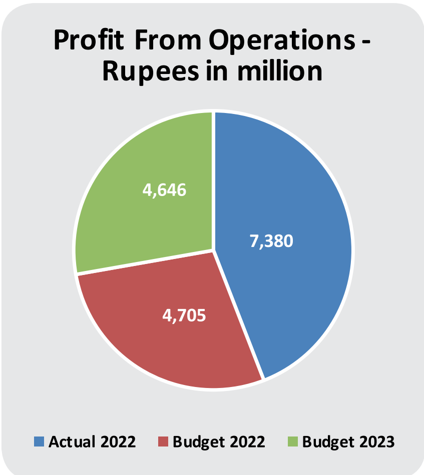
Segment wise profits before taxation and unallocated income and expenses for the year ended 30 June 2022 are as under:

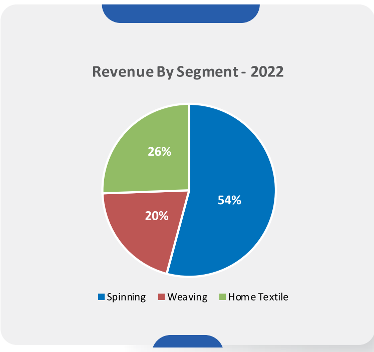
Particulars	Actual	
	2022	2021
	(Rs. In Million)	
Spinning	6,373	3,296
Weaving	754	519
Processing and Home Textile	700	456

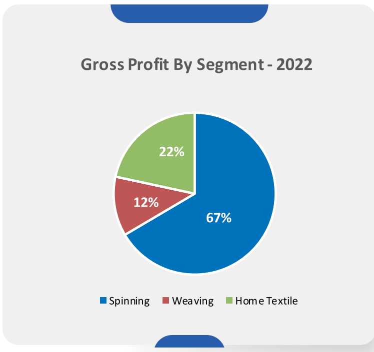
Operating profits of Spinning & Weaving Divisions improved during the year due to increased sales volume and better selling margins as compared with preceding year. Home Textile division faced stiff business conditions but higher sale rates and favourable exchange rate movements resulted in higher profits.

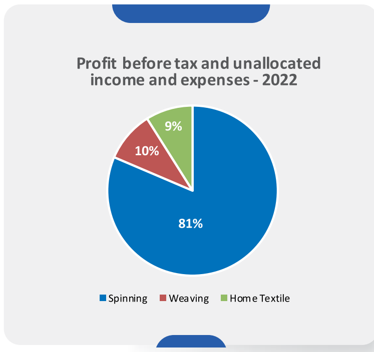


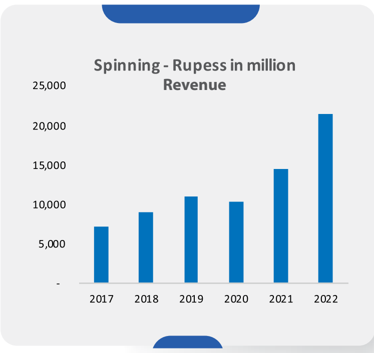


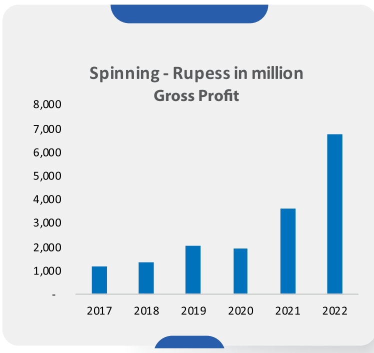


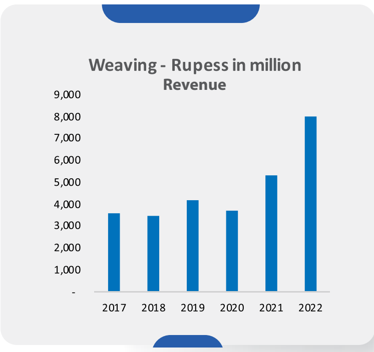

Revenue By Segment - 2022
26%
20%
54%
Spinning
Weaving
Home Textile

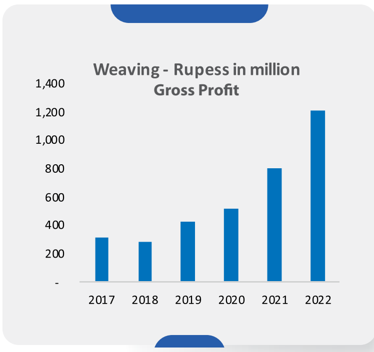

Gross Profit By Segment - 2022
22%
12%
67%
Spinning
Weaving
Home Textile

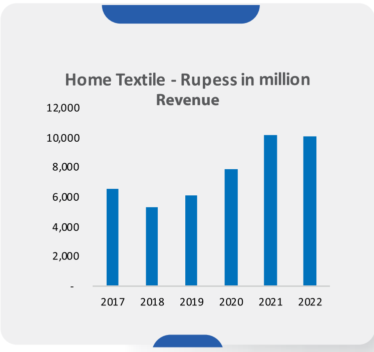

Profit before tax and unallocated income and expenses - 2022
9%
10%
81%
Spinning
Weaving
Home Textile

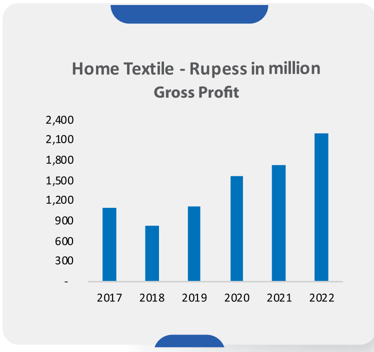

Spinning - Rupess in million
Revenue
25,000
20,000
15,000
10,000
5,000
-
2017
2018
2019
2020
2021
2022


Spinning - Rupess in million
Gross Profit
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2017
2018
2019
2020
2021
2022


Weaving - Rupess in million
Revenue
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2017
2018
2019
2020
2021
2022


Weaving - Rupess in million
Gross Profit
1,400
1,200
1,000
800
600
400
200
-
2017
2018
2019
2020
2021
2022


Home Textile - Rupess in million
Revenue
12,000
10,000
8,000
6,000
4,000
2,000
-
2017
2018
2019
2020
2021
2022


Home Textile - Rupess in million
Gross Profit
2,400
2,100
1,800
1,500
1,200
900
600
300
-
2017
2018
2019
2020
2021
2022

COMPOSITION OF LOCAL VERSUS IMPORTED COMPONENTS AND SENSITIVITY ANALYSIS

	2022		2021	
	Rs. '000	%	Rs. '000	%
Local Materials:				
Raw materials	15,247,363	55%	9,478,609	51%
Stores and spares	1,290,400	5%	874,757	5%
Fuel and power	3,198,929	12%	2,796,886	15%
	19,736,692	72%	13,150,252	70%
Imported materials				
Raw materials	7,251,188	26%	4,476,248	24%
Stores and spares	565,472	2%	1,030,842	6%
	7,816,660	28%	5,507,090	30%
	27,553,352	**100%**	**18,657,342**	**100%**

SENSITIVITY ANALYSIS

For each percent change in value of foreign currency, cost of imported materials will change by Rs 78.167 million (2021: Rs 55.071 million).

	2022 Rs. '000	2021 Rs. '000
Appreciation of PKR	(78,167)	(55,071)
Depreciation of PKR	78,167	55,071
Percentage of COS	0.27%	0.23%

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

	2022 Rs. '000	2021 Rs. '000
Net cash generated from operating activities	5,963,692	4,667,270
Capital expenditures	(3,186,982)	(1,696,204)
Free Cash Flows	**2,776,710**	**2,971,066**

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

	2022 Rs. '000	2021 Rs. '000
Net Profit after Tax	4,740,723	2,756,329
Less: Cost of capital	(713,941)	(692,447)
Economic Value Added	**4,026,782**	**2,063,882**

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	2022	2021
	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. 19.13 billion. The Company's property, plant and equipment except freehold land and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment loss in its financial statements. Freehold land is stated at revalued amount at the date of revaluation less any identified impairment loss and capital work-in-progress is stated at cost.

SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

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

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.

d. Political Unrest (Strikes, protests)

Volatile political situation often creates disruption in the business processes. Strikes, protests creates hindrance in production operations which may adversely affect the Company to meet deadlines of National / International customers. This factor although not very much material at the moment, but may affect share price of the Company adversely.

e. Change in Government Policies

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

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30 June 2022	Rs. 50.0
Market Capitalization as of 30.06.2022	Rs. 14,964,822,800
Change in Share Price by	Change in Market Capitalization
+10%	Rs. 1,496,482,280
-10%	Rs. (1,496,482,280)

STATEMENT OF CASH FLOWS (DIRECT METHOD)

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	38,358,872	29,029,895
Cash paid to suppliers and employees	(32,395,180)	(24,362,625)
Cash generated from operations	5,963,692	4,667,270
Finance cost paid	(749,197)	(795,382)
Income tax paid	(1,204,522)	(761,121)
Worker's welfare fund paid	(29,740)	(17,190)
Workers' profits participation fund paid	(553,088)	(195,101)
Gas Infrastructure Development Cess (GIDC) paid	(9,222)	-
Net increase in long term deposits	(1,512)	(3)
Net cash generated from operating activities	3,416,411	2,898,473
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(3,186,982)	(1,696,204)
Proceeds from disposal of property, plant and equipment	70,994	109,825
Long term investments made	(28,058)	-
Short term investments - net	(278,219)	(51,069)
Advances to subsidiary company	(700,000)	-
Repayment of advances from subsidiary company	700,000	-
Interest received	40,523	20,586
Dividend received	22,331	-
Net cash used in investing activities	(3,359,411)	(1,616,862)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	1,946,684	1,719,338
Repayment of long term financing	(1,023,650)	(419,316)
Short term borrowings - net	(323,741)	(1,920,591)
Dividend paid	(596,550)	(597,769)
Net cash from / (used in) financing activities	2,743	(1,218,338)
Net increase in cash and cash equivalents	59,743	63,273
Cash and cash equivalents at the beginning of the year	249,886	186,613
Cash and cash equivalents at the end of the year	309,629	249,886

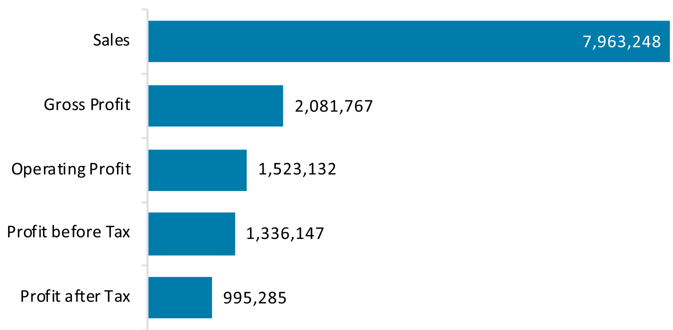
The annexed notes form an integral part of these financial statements.

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

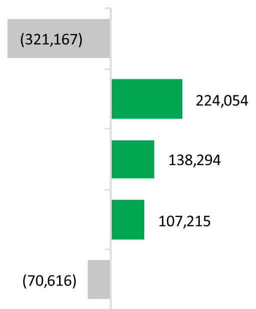
Particulars	Interim Reports Results						Annual	
	3 Months Period Ended 30-09-2021		6 Months Period Ended 31-12-2021		9 Months Period Ended 31-03-2022		Full Year Ended 30-06-2022	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	7,963,248		18,583,488		28,934,647		39,558,284	
Gross Profit	2,081,767	26.14%	5,172,020	27.83%	7,876,800	27.22%	10,169,257	25.71%
Operating Profit	1,523,132	19.13%	4,000,589	21.53%	6,039,838	20.87%	7,379,749	18.66%
Profit before tax	1,336,147	16.78%	3,590,866	19.32%	5,436,044	18.79%	6,575,626	16.62%
Profit after tax	995,285	12.50%	2,837,125	15.27%	4,310,877	14.90%	4,740,723	11.98%
Equity	20,853,546		22,695,386		23,869,842		24,299,688	
Current ratio (in time)	1.06		1.15		1.28		1.32	

GRAPHICAL PRESENTATION

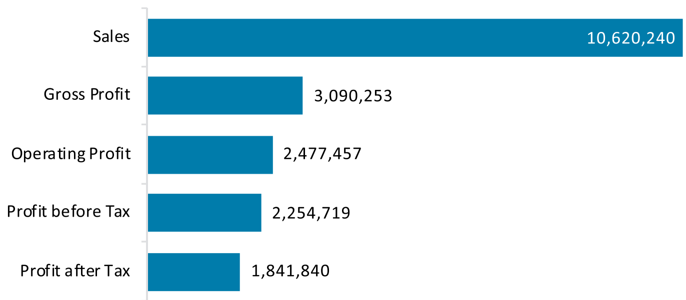
1st Quarter 2022



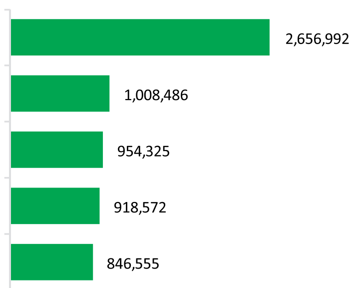
Variance from previous quarter



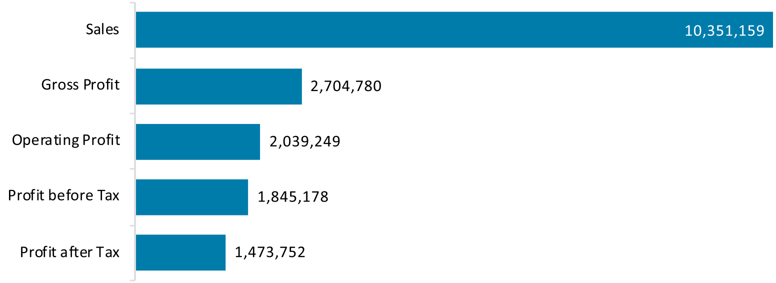
2nd Quarter 2022



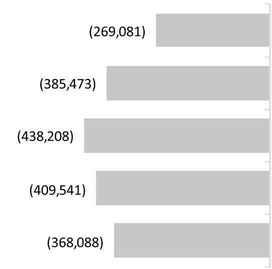
Variance from previous quarter



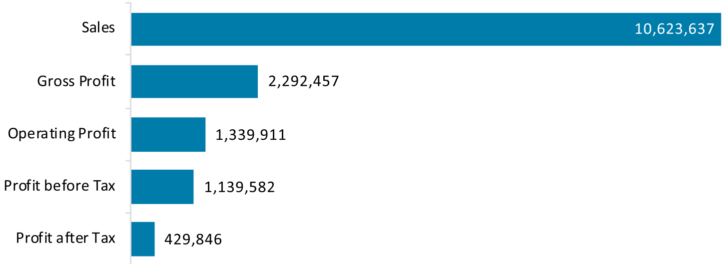
3rd Quarter 2022



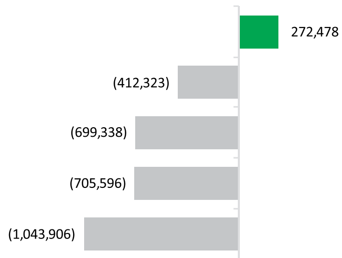
Variance from previous quarter



4th Quarter 2022



Variance from previous quarter



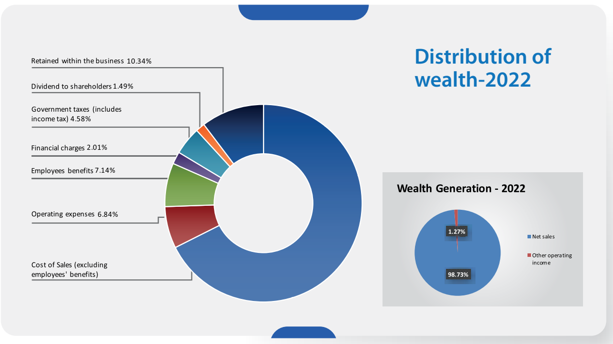
ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

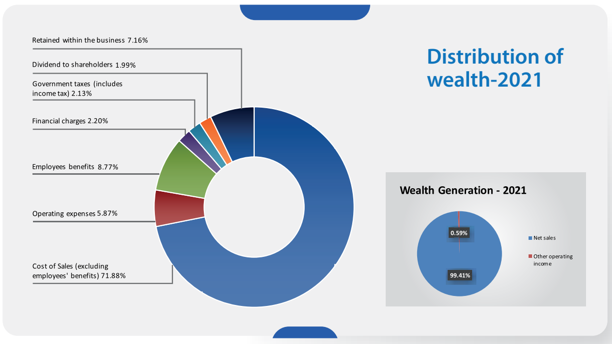
Quarter	Gross Profit	Operating Profit	Net Profit	Shareholders' Equity	Current Ratio
Quarter 1 With Annual 30 June 2022	Gross Profit was 26.14% as compared to annual GP of 25.71%.	Operating profit was 19.13% as compared to annual operating profit of 18.66%.	Net profit after tax was Rupees 995 Million as compared to annual net profit of Rupees 4,741 Million.	Shareholders' equity was Rupees 20,854 Million as compared to annual equity of Rupees 24,300 Million.	Current ratio was 1.06 times as compared to annual ratio of 1.32. Ratio was low as compared to annual ratio due to higher borrowings to meet working capital requirements.
Quarter 2 With Annual 30 June 2022	Gross Profit was 27.83% as compared to annual GP of 25.71%. Margins improved mainly because of increased selling prices of yarn in the domestic market.	Operating profit for the first half year was 21.53% as compared to annual operating profit of 18.66% mainly due to higher selling prices of yarn.	Net profit after tax was Rupees 2,837 Million as compared to annual net profit of Rs. 4,741 Million.	Shareholders' equity was Rupees 22,695 Million as compared to annual equity of Rupees 24,300 Million.	Current ratio was 1.15 times as compared to annual ratio of 1.32. Ratio was low as compared to annual ratio due to higher borrowings to meet working capital requirements.
Quarter 3 With Annual 30 June 2022	Gross Profit was 27.22% as compared to annual GP of 25.71%.	Operating profit for the first nine months was 20.87% as compared to annual operating profit of 18.66%.	Net profit after tax was Rupees 4,311 Million as compared to annual net profit of Rs. 4,741 Million.	Shareholders' equity was Rupees 23,870 Million as compared to annual equity of Rupees 24,300 Million.	Current ratio was 1.28 times as compared to annual ratio of 1.32 Ratio was low as compared to annual ratio due to higher borrowings to meet working capital requirements.

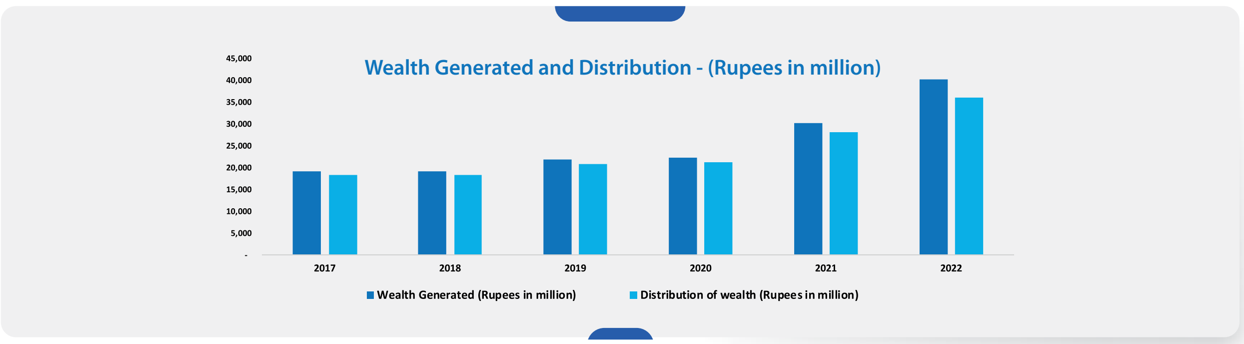
VALUE ADDITION AND DISTRIBUTION

	2022 Rs "000"	2022 % age	2021 Rs "000"	2021 % age	2020 Rs "000"	2020 % age	2019 Rs "000"	2019 % age	2018 Rs "000"	2018 % age	2017 Rs "000"	2017 % age
Wealth Generated												
Revenue	39,558,284	98.73%	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%
Other operating income	509,465	1.27%	178,692	0.59%	293,511	1.33%	608,755	2.79%	1,183,527	6.22%	1,725,445	9.02%
	40,067,749	100.00%	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%
Distribution of wealth												
Cost of Sales (excluding employees' remuneration)	27,085,783	67.60%	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%
Distribution, administration & other expenses	2,741,997	6.84%	1,770,484	5.88%	1,188,042	5.37%	1,103,538	5.06%	798,627	4.20%	821,843	4.30%
Employees' remuneration	2,860,220	7.14%	2,642,321	8.77%	2,334,177	10.54%	1,925,620	8.82%	1,827,395	9.61%	1,772,981	9.27%
Financial charges	804,123	2.01%	663,789	2.20%	802,869	3.63%	411,111	1.88%	362,200	1.90%	267,593	1.40%
Government taxes (includes income tax)	1,834,903	4.58%	641,380	2.13%	350,158	1.58%	530,291	2.43%	489,769	2.58%	550,732	2.88%
Dividend to shareholders	598,592	1.49%	598,592	1.99%	523,768	2.37%	598,592	2.74%	797,654	4.19%	1,411,775	7.38%
Retained within the business	4,142,131	10.34%	2,157,737	7.16%	1,004,275	4.54%	1,152,052	5.28%	866,668	4.56%	940,004	4.91%
	40,067,749	100.00%	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%

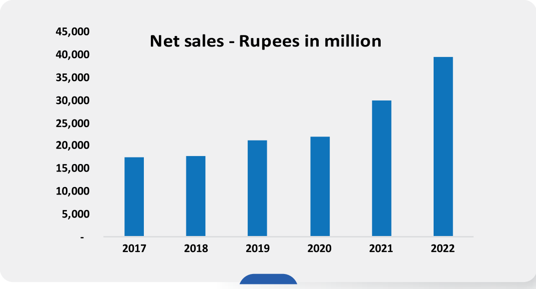
GRAPHICAL PRESENTATION

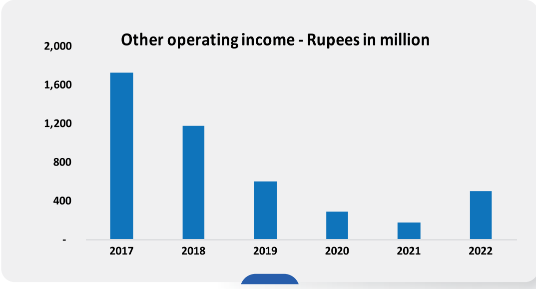




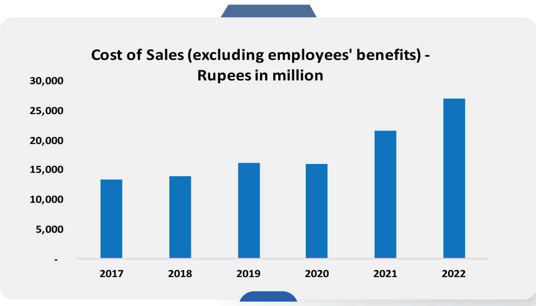


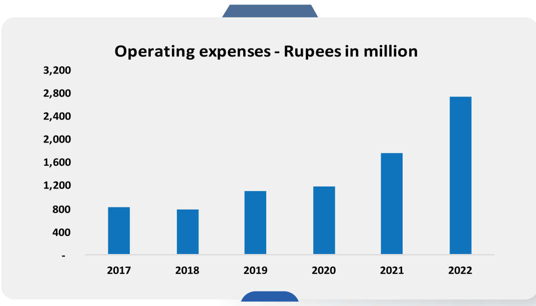
WEALTH GENERATION

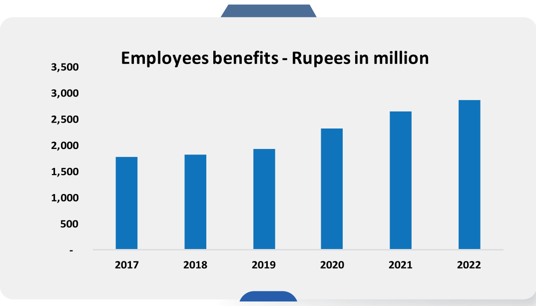


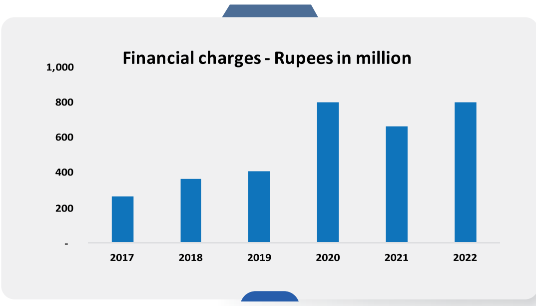


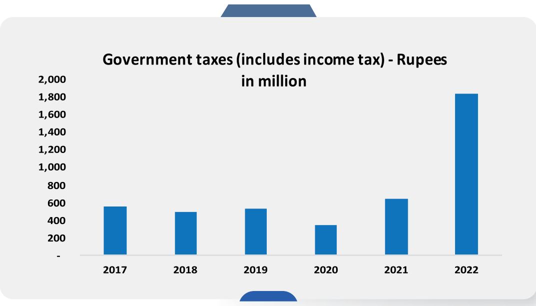
WEALTH DISTRIBUTION

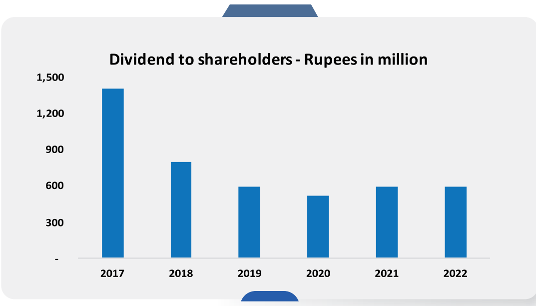


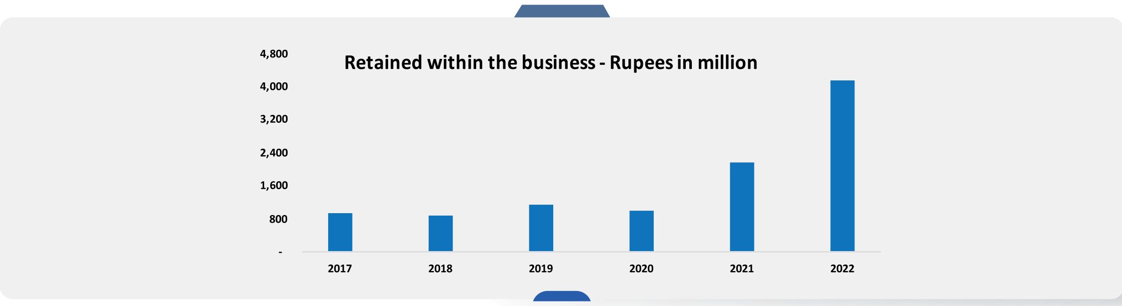












HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2022	Change w.r.t 2021	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
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
BALANCE SHEET											
Total Equity	24,299,688	20.55	20,157,557	12.17	17,971,090	5.92	16,966,815	7.24	15,820,626	13.63	13,922,796
Total non-current liabilities	5,181,514	33.42	3,883,657	13.84	3,411,551	60.24	2,129,031	15.04	1,850,676	4.20	1,776,007
Total current liabilities	10,441,312	3.45	10,093,041	(10.85)	11,321,125	75.50	6,450,732	(10.41)	7,200,654	42.70	5,046,039
Total equity and liabilities	39,922,514	16.96	34,134,255	4.37	32,703,766	28.02	25,546,578	2.71	24,871,956	19.89	20,744,842
Total non-current assets	26,097,750	10.29	23,662,335	4.59	22,623,930	22.21	18,512,532	1.96	18,155,891	17.53	15,447,434
Total current assets	13,824,764	32.02	10,471,920	3.89	10,079,836	43.30	7,034,046	4.73	6,716,065	26.78	5,297,408
Total assets	39,922,514	16.96	34,134,255	4.37	32,703,766	28.02	25,546,578	2.71	24,871,956	19.89	20,744,842

HORIZONTAL ANALYSIS OF FINANCIAL PERFORMANCE

	2022	Change w.r.t 2021	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
Net sales	39,558,284	32.06	29,955,525	37.13	21,844,810	2.94	21,220,135	18.99	17,833,540	2.46	17,404,708
Cost of sales	29,389,027	23.36	23,822,897	33.43	17,854,630	1.11	17,659,063	15.00	15,355,788	3.59	14,823,393
Gross profit	10,169,257	65.82	6,132,628	53.69	3,990,180	12.05	3,561,072	43.72	2,477,752	(4.01)	2,581,315
Selling and distribution expenses	1,594,678	30.88	1,218,390	48.29	821,609	46.41	561,181	13.19	495,766	(7.90)	538,294
Administrative expenses	747,220	16.19	643,123	6.75	602,467	9.10	552,220	11.67	494,532	7.35	460,681
Other operating expenses	957,075	146.47	388,309	117.49	178,545	(51.00)	364,380	135.55	154,690	12.35	137,681
Other operating income	509,465	185.11	178,692	(39.12)	293,511	(51.79)	608,755	(48.56)	1,183,527	(31.41)	1,725,445
Profit from operations	7,379,749	81.70	4,061,498	51.49	2,681,070	(0.41)	2,692,046	6.98	2,516,291	(20.62)	3,170,104
Finance cost	804,123	21.14	663,789	(17.32)	802,869	95.29	411,111	13.50	362,200	35.35	267,593
Profit before taxation	6,575,626	93.53	3,397,709	80.90	1,878,201	(17.66)	2,280,935	5.89	2,154,091	(25.79)	2,902,511
Provision for taxation	1,834,903	186.09	641,380	83.17	350,158	(33.97)	530,291	8.27	489,769	(11.07)	550,732
Profit after taxation	4,740,723	71.99	2,756,329	80.38	1,528,043	(12.72)	1,750,644	5.19	1,664,322	(29.23)	2,351,779

COMMENTS ON THE 6 YEARS HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

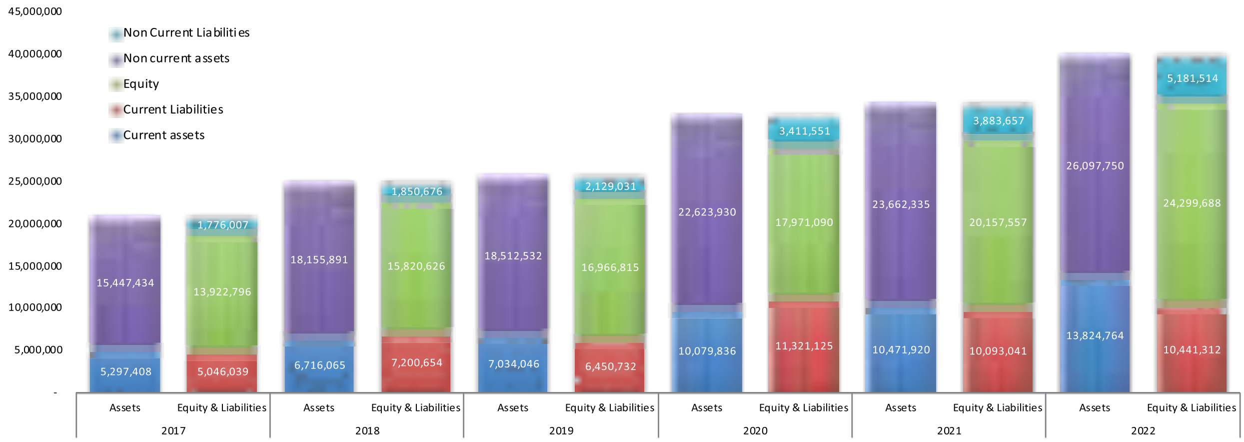
Statement of Financial Position:

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.

Statement of Financial Position

Horizontal Analsyis

Rupees in Million



Statement of Profit or Loss:

Company's overall sales are being increased by 32%. Export & local sales improved by 22% & 41% respectively. Gross profit has been increased by 66% due to selection of high yield orders and stringent controls over critical contemporary areas of performance.

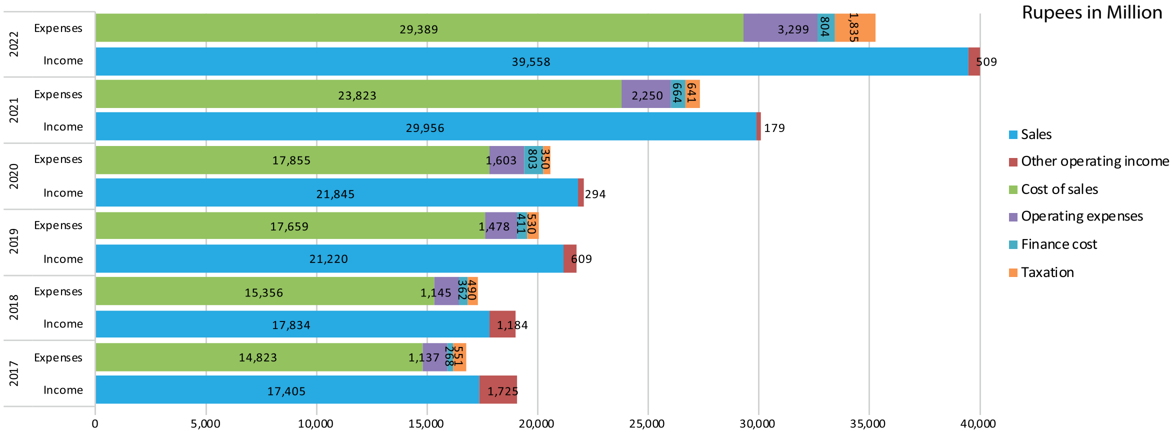
Other expenses increased due to increase in workers' profit participation fund & workers' welfare fund provision. Further, other receivables and stores write-offs also resulted in increased other expenses.

Finance cost increased due to higher interest rates as compared to previous year & higher borrowings because of significant increase in working capital requirements.

Statement of Profit or Loss

Horizontal Analsyis

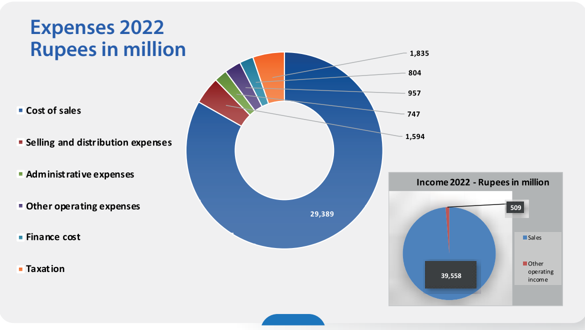
Rupees in Million

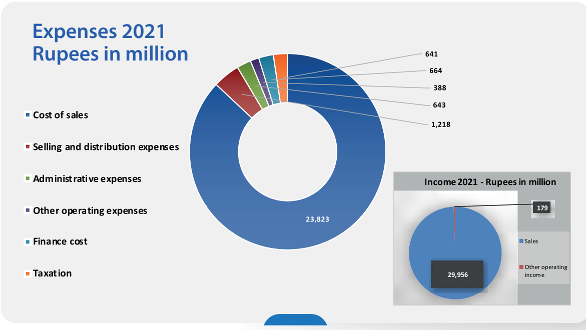


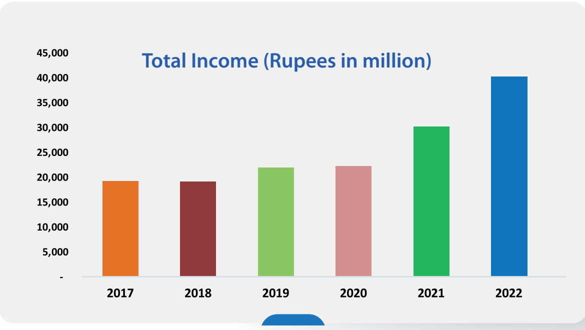
VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

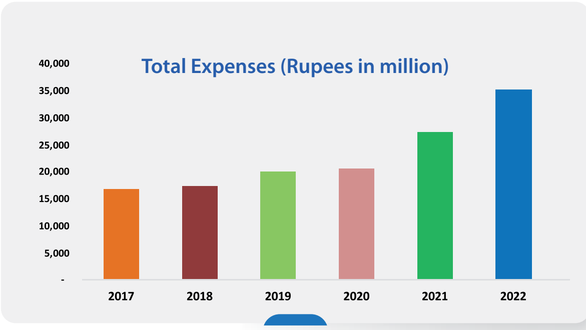
	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
	..........Rupees in thousand..........											
BALANCE SHEET												
Total Equity	24,299,688	60.87	20,157,557	59.05	17,971,090	54.95	16,966,815	66.42	15,820,626	63.61	13,922,796	67.11
Total non-current liabilities	5,181,514	12.98	3,883,657	11.38	3,411,551	10.43	2,129,031	8.33	1,850,676	7.44	1,776,007	8.56
Total current liabilities	10,441,312	26.15	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
Total equity and liabilities	39,922,514	100.00	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
Total non-current assets	26,097,750	65.37	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
Total current assets	13,824,764	34.63	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
Total assets	39,922,514	100.00	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
VERTICAL ANALYSIS OF FINANCIAL PERFORMANCE												
Net sales	39,558,284	100.00	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
Cost of sales	29,389,027	74.29	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
Gross profit	10,169,257	25.71	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
Selling and distribution expenses	1,594,678	4.03	1,218,390	4.07	821,609	3.76	561,181	2.64	495,766	2.78	538,294	3.09
Administrative expenses	747,220	1.89	643,123	2.15	602,467	2.76	552,220	2.60	494,532	2.77	460,681	2.65
Other operating expenses	957,075	2.42	388,309	1.30	178,545	0.82	364,380	1.72	154,690	0.87	137,681	0.79
Other operating income	509,465	1.29	178,692	0.60	293,511	1.34	608,755	2.87	1,183,527	6.64	1,725,445	9.91
Profit from operations	7,379,749	18.66	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
Finance cost	804,123	2.03	663,789	2.22	802,869	3.68	411,111	1.94	362,200	2.03	267,593	1.54
Profit before taxation	6,575,626	16.62	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
Provision for taxation	1,834,903	4.64	641,380	2.14	350,158	1.60	530,291	2.50	489,769	2.75	550,732	3.16
Profit after taxation	4,740,723	11.98	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

GRAPHICAL PRESENTATION
OF VERTICAL ANALYSIS









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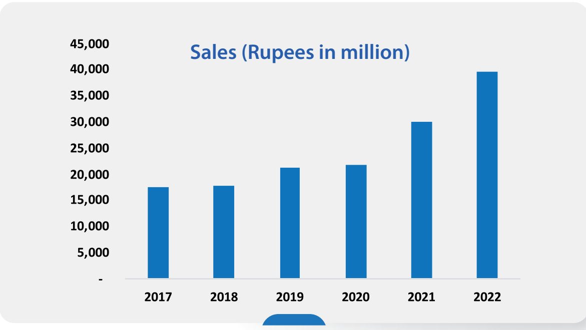
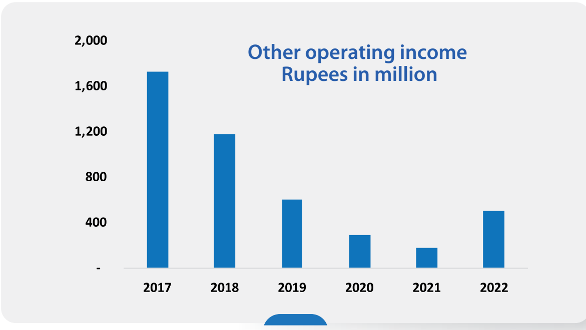
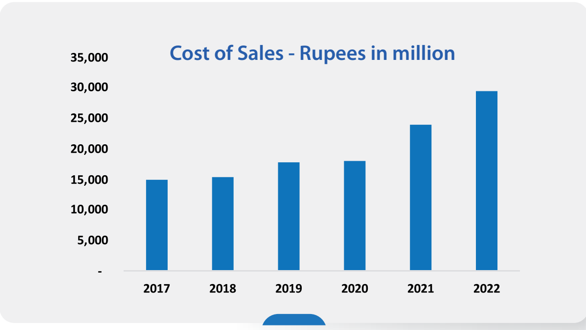
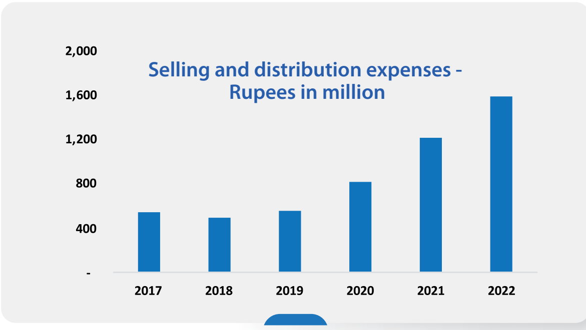


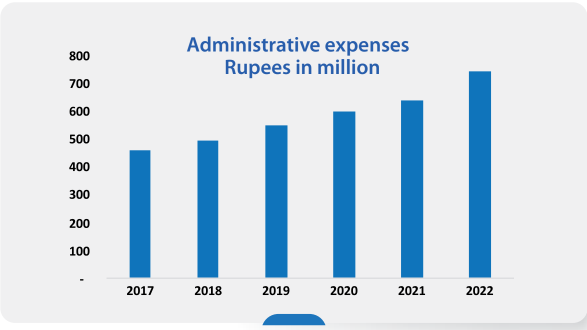


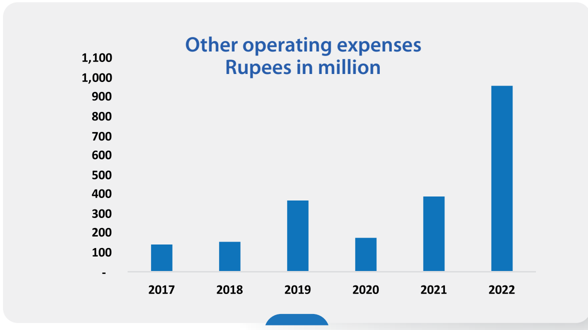
EXPENSES

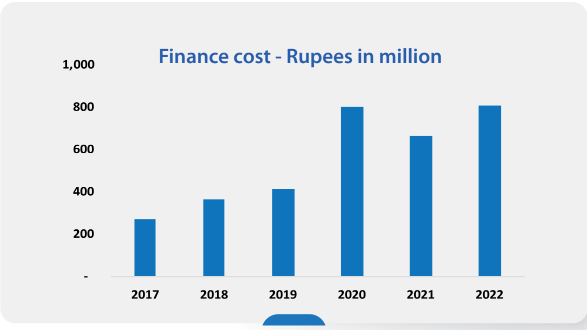


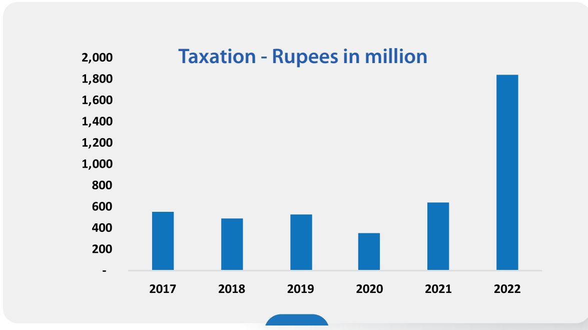


EXPENSES









COMMENTS ON THE 6 YEARS VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

Statement of Financial Position:

Equity component is 61% of the balance sheet footing. A major factor for this is constant profitability of the Company.

During current year, non- current liabilities are 12.98% of the balance sheet footing as compared to 11.38% for the preceding year, this increase is primarily because of expansion and modernization of production facilities.

Non-current assets increased from Rs. 23,662 Million in 2021 to Rs. 26,098 Million in 2022. Increase is due to capital expenditure on production facilities across all divisions of the Company.

Statement of Profit or Loss:

Cost of sales is 74.29% in 2022 as compared to 79.53% in 2021, 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.

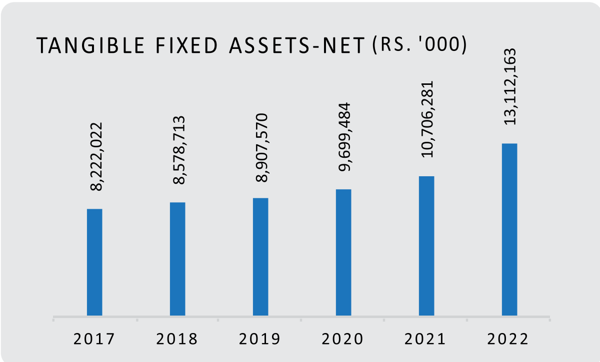
Finance cost increased due to higher interest rates as compared to previous year & higher borrowings because of significant increase in working capital requirements.

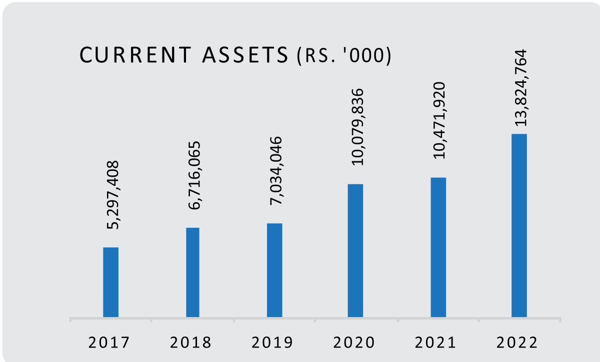
Other expenses increased due to increase in workers' profit participation fund & workers' welfare fund provision. Further, other receivables and stores write-offs also resulted in increased other expenses.

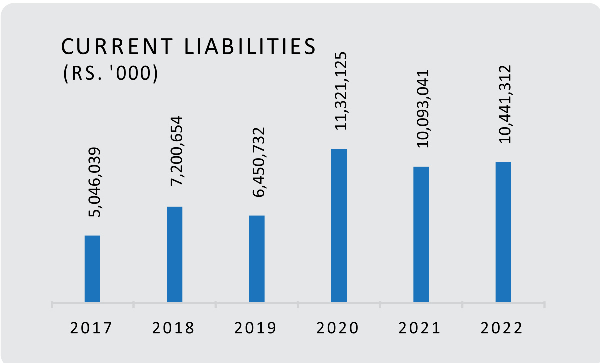
KEY OPERATING AND FINANCIAL DATA

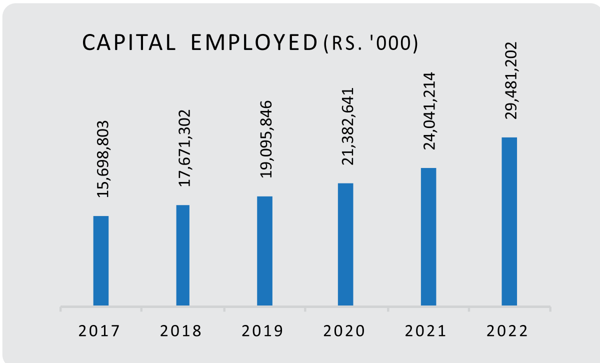
SIX YEARS SUMMARY

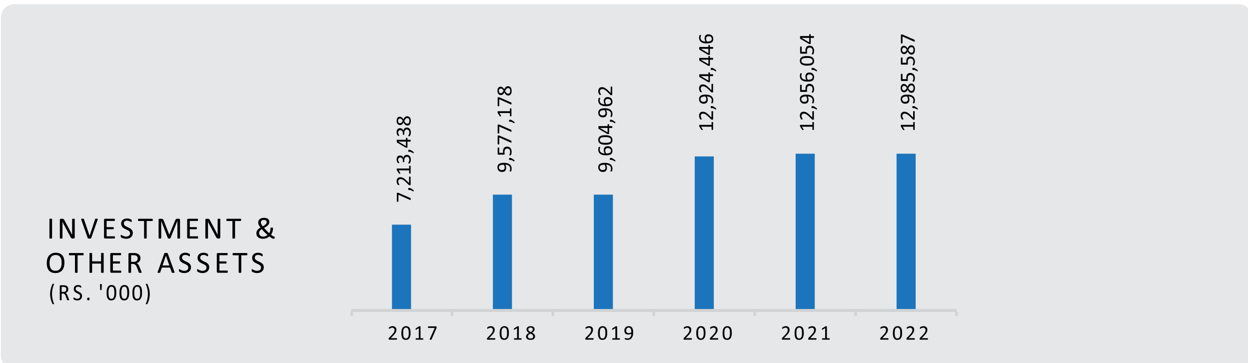
Financial Highlights	2022	2021	2020	2019	2018	2017
		-------------------------PKR '000'-------------------------				
Financial Position						
Tangible fixed assets	13,112,163	10,706,281	9,699,484	8,907,570	8,578,713	8,222,022
Intangible assets	-	-	-	-	-	11,974
Investments & Other assets	12,985,587	12,956,054	12,924,446	9,604,962	9,577,178	7,213,438
	26,097,750	23,662,335	22,623,930	18,512,532	18,155,891	15,447,434
Current assets	13,824,764	10,471,920	10,079,836	7,034,046	6,716,065	5,297,408
Less: Current liabilities	10,441,312	10,093,041	11,321,125	6,450,732	7,200,654	5,046,039
Net working capital	3,383,452	378,879	(1,241,289)	583,314	(484,589)	251,369
Capital employed	29,481,202	24,041,214	21,382,641	19,095,846	17,671,302	15,698,803
Less: Long term loan & other liabilities	5,181,514	3,883,657	3,411,551	2,129,031	1,850,676	1,776,007
Share holders Equity	24,299,688	20,157,557	17,971,090	16,966,815	15,820,626	13,922,796
Represented By:						
Share capital	2,992,964	2,992,964	2,992,964	2,992,964	2,992,964	2,823,551
Reserves & unappropriated profit	21,306,724	17,164,593	14,978,126	13,973,851	12,827,662	11,099,245
	24,299,688	20,157,557	17,971,090	16,966,815	15,820,626	13,922,796



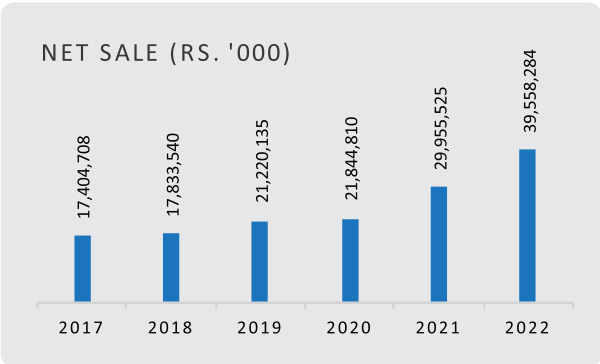


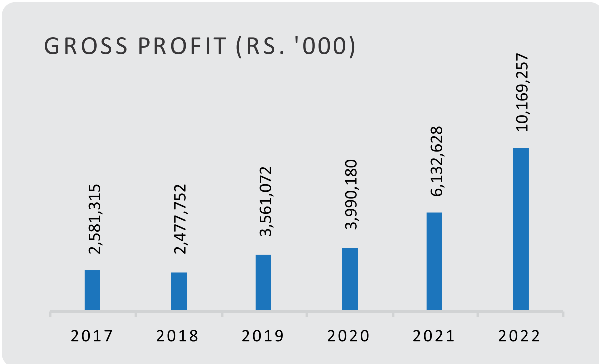


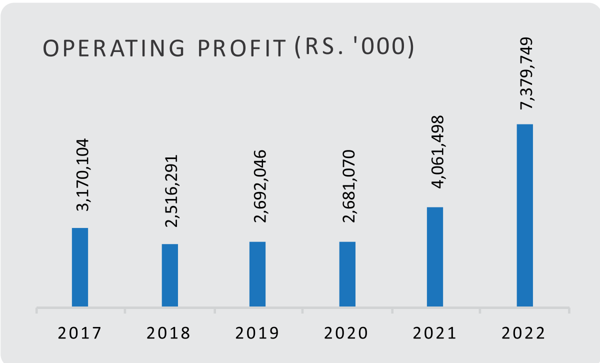


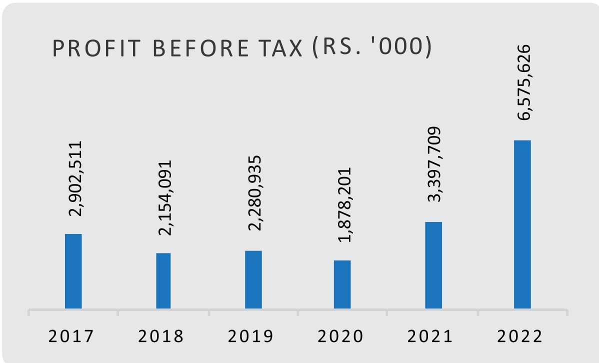


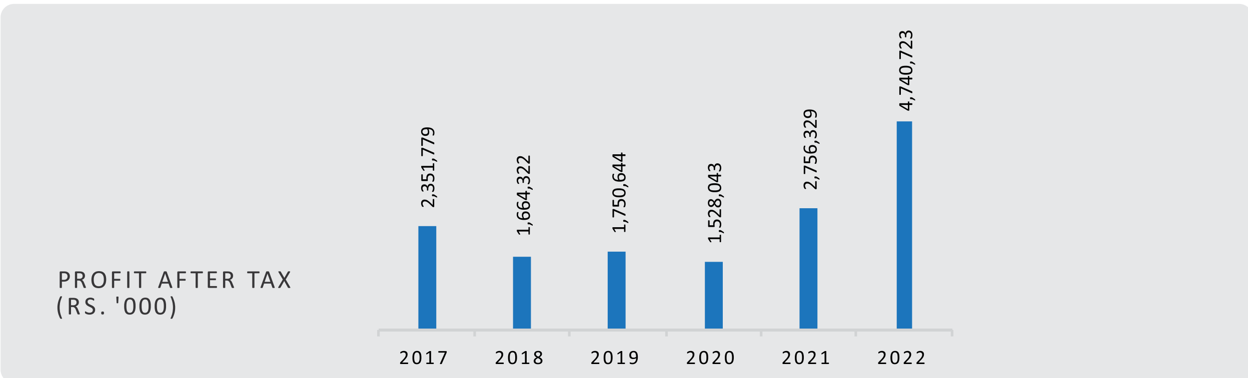
Financial Highlights	2022	2021	2020	2019	2018	2017
		-------------------------PKR '000'-------------------------				
Financial Performance						
Revenue	39,558,284	29,955,525	21,844,810	21,220,135	17,833,540	17,404,708
Profitability						
Gross Profit	10,169,257	6,132,628	3,990,180	3,561,072	2,477,752	2,581,315
Operating profit	7,379,749	4,061,498	2,681,070	2,692,046	2,516,291	3,170,104
Profit before tax	6,575,626	3,397,709	1,878,201	2,280,935	2,154,091	2,902,511
Taxation	1,834,903	641,380	350,158	530,291	489,769	550,732
Profit after tax	4,740,723	2,756,329	1,528,043	1,750,644	1,664,322	2,351,779





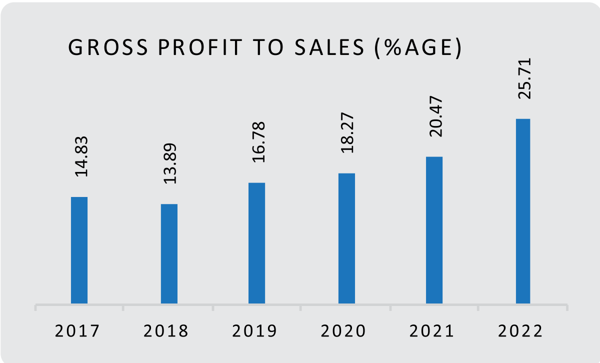


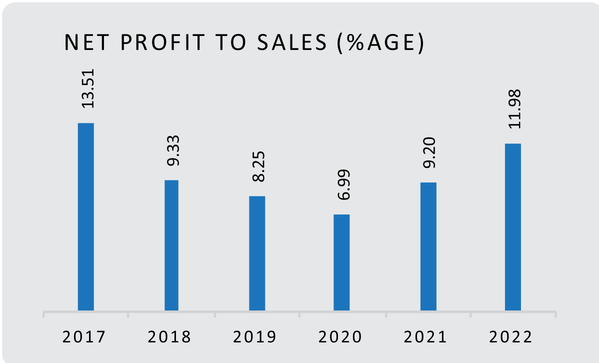


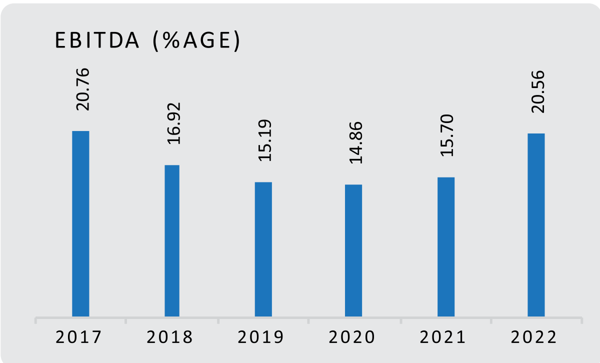


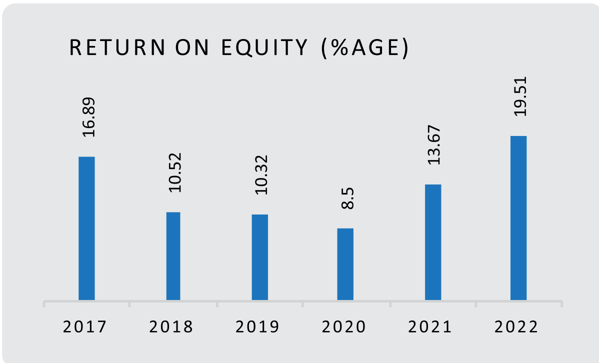
Financial Highlights

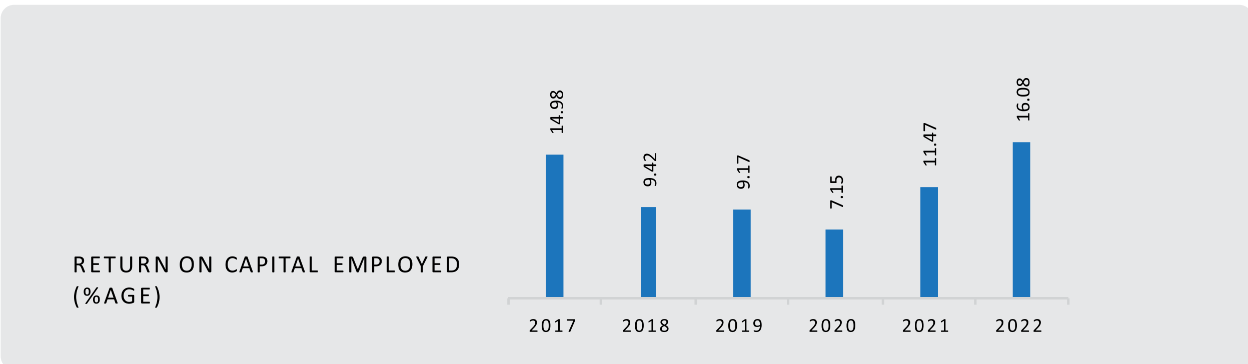
Financial Highlights	2022	2021	2020	2019	2018	2017
Profitability Ratios:						
Gross Profit to sales (%age)	25.71	20.47	18.27	16.78	13.89	14.83
Net Profit to sales (%age)	11.98	9.20	6.99	8.25	9.33	13.51
EBITDA (%age)	20.56	15.70	14.86	15.19	16.92	20.76
Operating leverage ratio	2.55	1.39	(0.14)	0.37	(10.50)	0.88
Return on equity (%age)	19.51	13.67	8.50	10.32	10.52	16.89
Return on capital employed (%age)	16.08	11.47	7.15	9.17	9.42	14.98
Profit before tax ratio (%age)	16.62	11.34	8.60	10.75	12.08	16.68
Effective tax rate (%age)	27.90	18.88	18.64	23.25	22.74	18.97
Cost / Revenue ratio (%age)	74.29	79.53	81.73	83.22	86.11	85.17
Return on Fixed Assets	36.16%	25.74%	15.75%	19.76%	31.79%	28.67%
Return on Total Assets	18.49%	11.90%	6.75%	7.26%	11.85%	11.13%
Shareholders Funds	60.87%	59.05%	54.95%	66.42%	63.61%	67.11%
Return on shareholder funds	19.51%	13.67%	8.50%	10.32%	10.52%	16.89%





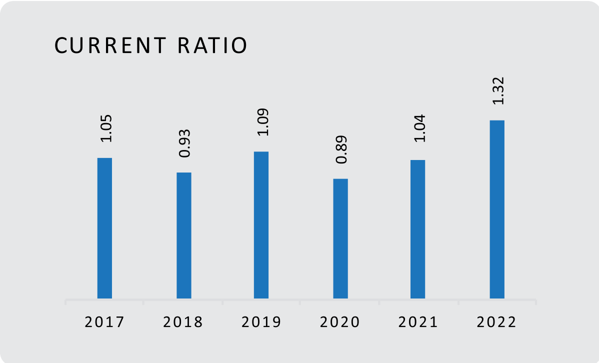


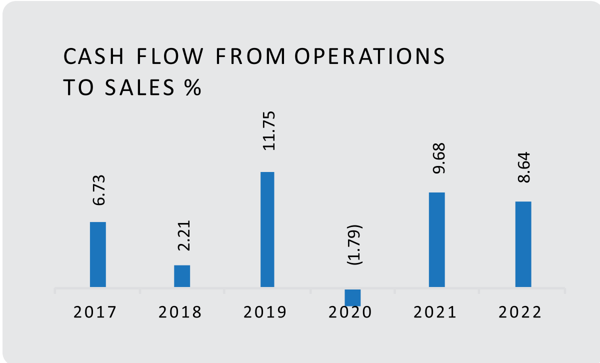




Financial Highlights

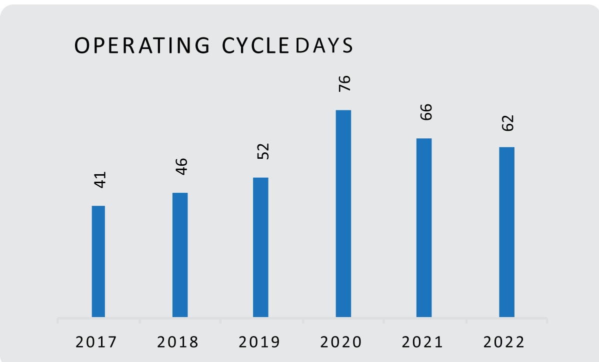
Liquidity Ratios:	2022	2021	2020	2019	2018	2017
Current ratio	1.32	1.04	0.89	1.09	0.93	1.05
Acid test ratio	0.66	0.56	0.35	0.41	0.5	0.54
Cash to current liabilities	0.03	0.02	0.02	0.03	0.02	0.03
Cash flow from operations to sales %	8.64	9.68	(1.79)	11.75	2.21	6.73
Cash flow to capital expenditures	1.07	1.71	(0.28)	2.83	0.46	0.95
Cash flow coverage ratio	0.33	0.30	(0.04)	0.49	0.06	0.25

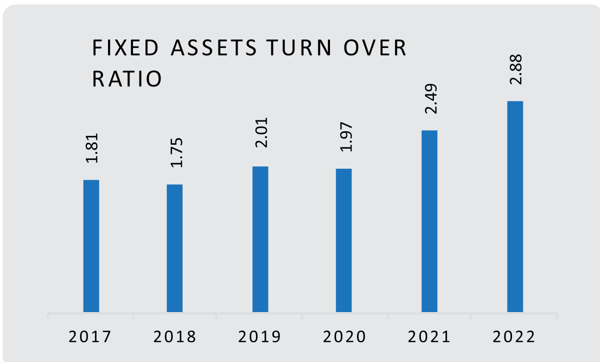




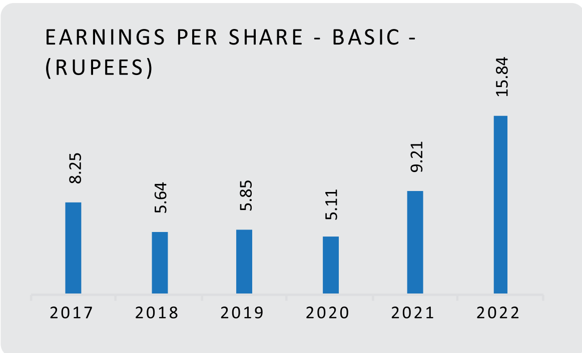
Financial Highlights

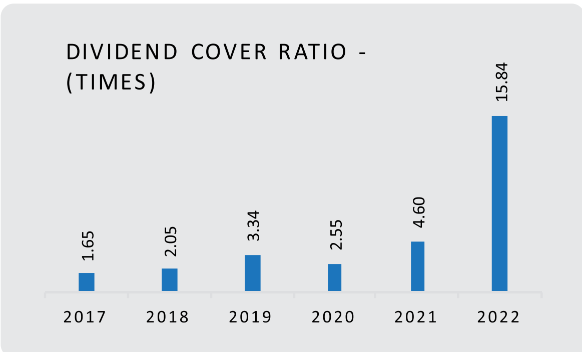
Activity / Turnover Ratios:	2022	2021	2020	2019	2018	2017
No. of days in Inventory	62	72	94	66	54	52
No. of days in receivables	35	34	32	27	31	25
No. of days in creditors	35	40	50	41	39	35
Operating cycle	62	67	76	52	46	41
Inventory turn over	6	5	4	6	7	7
Debtors turn over ratio	10	11	11	13	12	15
Creditors turnover ratio	10	9	7	9	9	10
Total assets turn over / return on investment ratio	1.07	0.90	0.75	0.84	0.78	0.87
Fixed assets turn over ratio	2.88	2.49	1.97	2.01	1.75	1.81

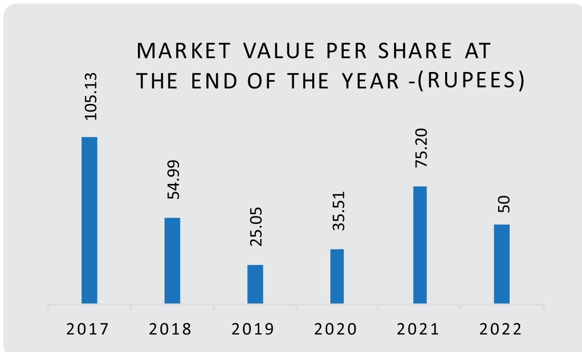


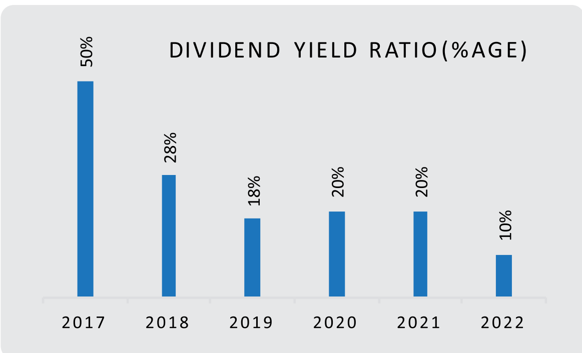


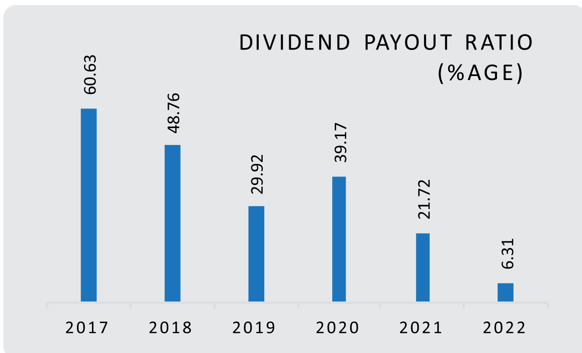
Financial Highlights	2022	2021	2020	2019	2018	2017
Investment / Market Ratios:						
Earning per share - Basic - (Rupees)	15.84	9.21	5.11	5.85	5.64	8.25
Earning per share - Diluted - (Rupees)	15.84	9.21	5.11	5.85	5.64	8.25
Price earning ratio	3.16	8.17	6.96	4.28	9.75	12.75
Price to book ratio	50:81.19	75.2:67.35	35.51:60.04	25.05:56.69	54.99:52.86	105.13:49.31
Dividend yield ratio	10%	20%	20%	18%	28%	50%
Dividend payout ratio (%age)	6.31	21.72	39.17	29.92	48.76	60.63
Dividend cover ratio - (Times)	15.84	4.60	2.55	3.34	2.05	1.65
Cash dividend per share - (Rupees)	1	2	2	1.75	2.75	5
Stock dividend per share	-	-	-	-	-	-
Breakup value per share - (Rupees):						
- without revaluation surplus	68.25	54.41	47.20	43.85	40.02	35.77
- with revaluation surplus	81.19	67.35	60.04	56.69	52.86	49.31
- with revaluation surplus and investments at fair value	110.22	96.89	89.59	72.26	95.83	158.50
Market value per share at the end of the year - (Rupees)	50.00	75.20	35.51	25.05	54.99	105.13
Share Price - High during the year - (Rupees)	88.71	80	45.00	57.25	106.00	128.5
Share Price - Low during the year - (Rupees)	50.00	35.51	19.28	25.05	54.99	78.95
Earning assets to total assets ratio (%age)	65.23	69.17	69.02	72.26	72.8	74.19



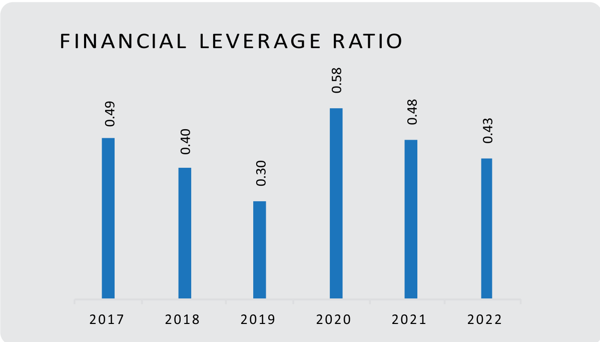


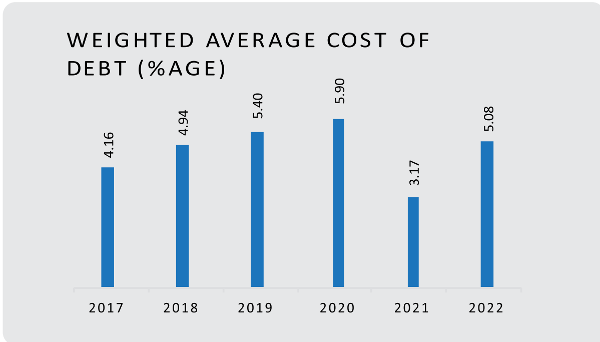


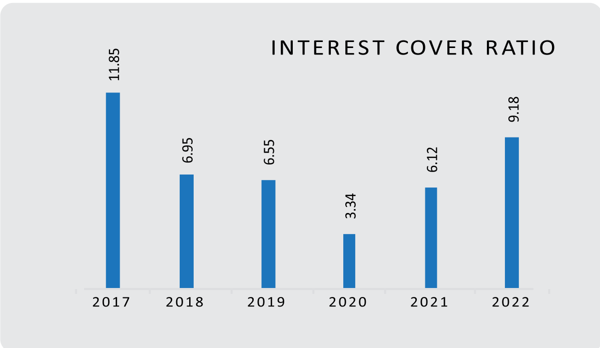


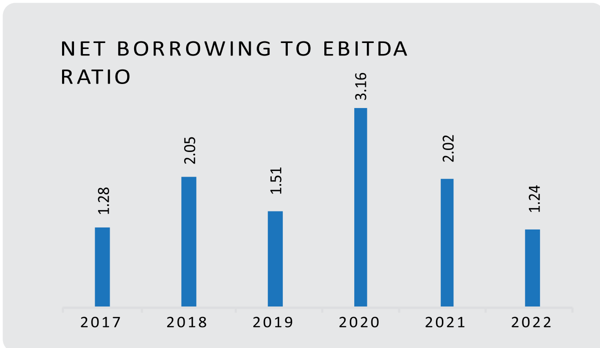


Financial Highlights	2022	2021	2020	2019	2018	2017
Capital Structure Ratios:						
Financial leverage ratio	0.43	0.48	0.58	0.30	0.40	0.49
Weighted average cost of debt (%age)	5.08	3.17	5.90	5.40	4.94	4.16
Debt to equity ratio (as per book)	18 : 82	17 : 83	14 : 86	10 : 90	10 : 90	10 : 90
Debt to equity ratio (as per market value)	26 : 74	16 : 84	22 : 78	21 : 79	9 : 91	5 : 95
Interest cover ratio	9.18	6.12	3.34	6.55	6.95	11.85
Average operating working capital to sales ratio	0.19	0.21	0.23	0.19	0.22	0.20
Net borrowing to EBITDA ratio	1.24	2.02	3.16	1.51	2.05	1.28
Net assets per share	81.19	67.35	60.04	56.69	52.86	49.31

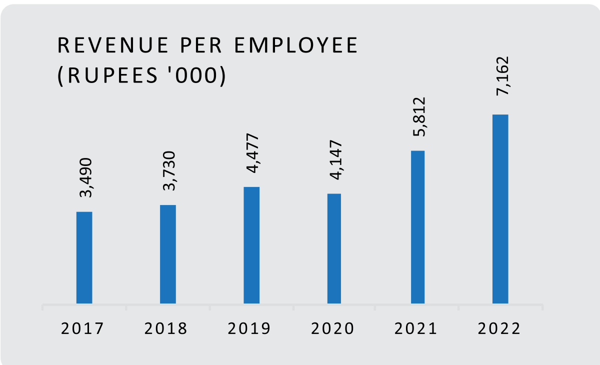


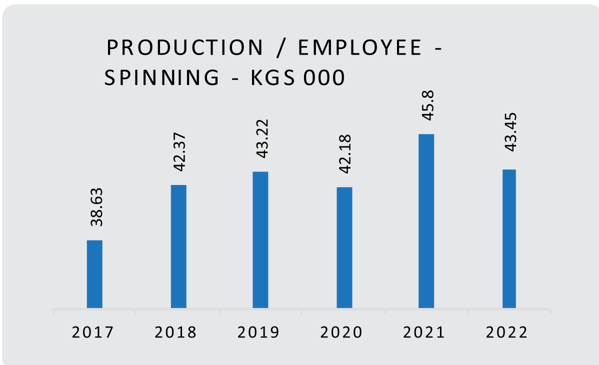


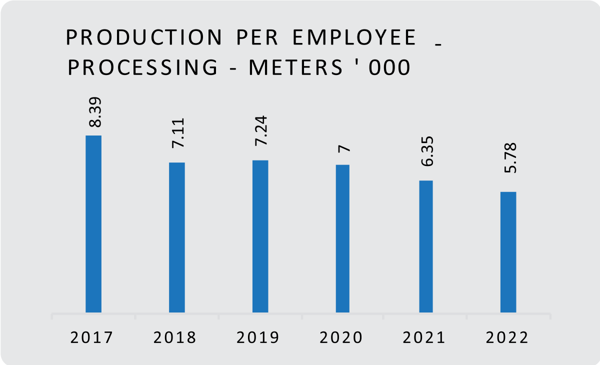


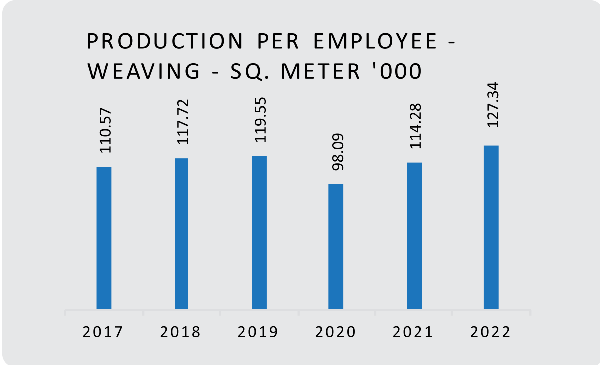


Financial Highlights	2022	2021	2020	2019	2018	2017
Employee Productivity Ratios:						
Production per employee						
Spinnning - Kg's 000	43.45	45.8	42.18	43.22	42.37	38.63
Processing - Meters ' 000	5.78	6.35	7	7.24	7.11	8.39
Weaving - Sq. Meter '000	127.34	114.28	98.09	119.55	117.72	110.57
Revenue per employee (Rupees '000)	7,162	5,812	4,147	4,477	3,730	3,490
Staff Turnover Ratio	2	1	2	3	4	5

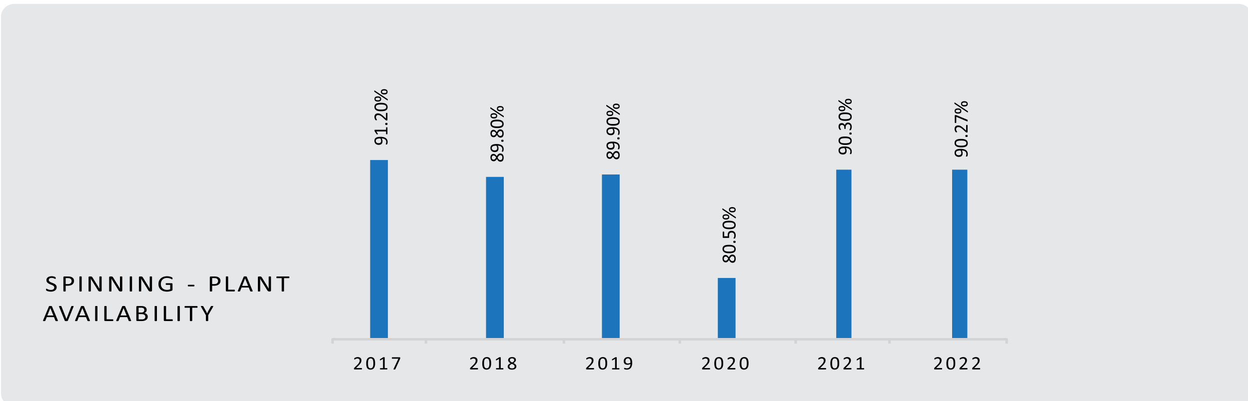


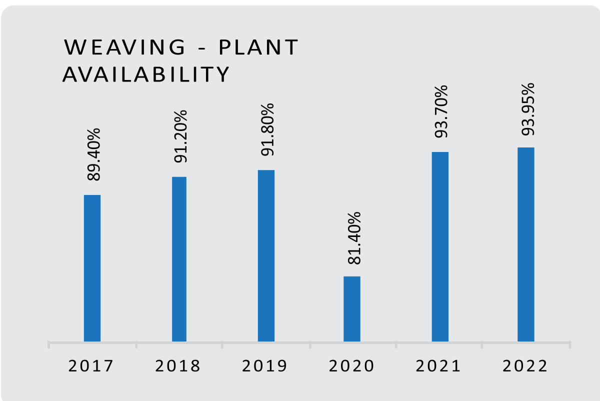






Financial Highlights	2022	2021	2020	2019	2018	2017
Non-Financial Ratios:						
Plant Availability						
Spinning	90.27%	90.30%	80.50%	89.90%	89.80%	91.20%
Processing	81.40%	83.30%	87.80%	70.10%	69.40%	85.50%
Weaving	93.95%	84.32%	81.40%	91.80%	91.20%	89.40%
Customer Satisfaction index	2	1	2	3	4	5
Others:						
Spares inventory as % of asset cost	0.59%	0.58%	0.43%	0.48%	2.11%	2.46%
Maintenance cost as % of operating expenses	5.78%	7.64%	8.10%	7.40%	8.10%	9%
Ratios for Shariah compliant companies:						
Loan on interest to market capitalization	28.67%	24.62%	40.80%	23.70%	21.71%	11.63%
Total interest-taking deposits to market capitalization	1.75%	0.70%	0.61%	0.86%	0.26%	0.08%
Income generated from prohibited component to Total Income	0.12%	0.07%	0.34%	0.08%	0.09%	0.05%

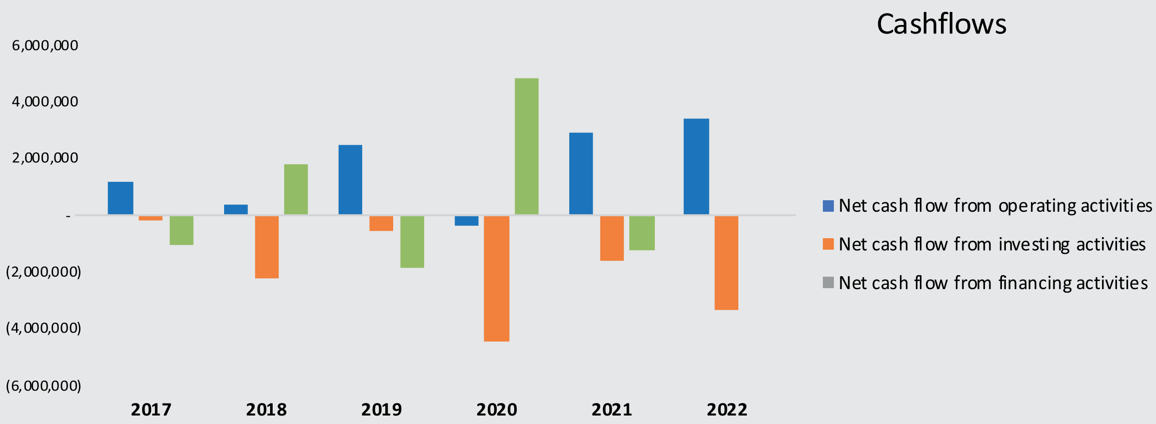




Kohinoor Textile Mills Limited

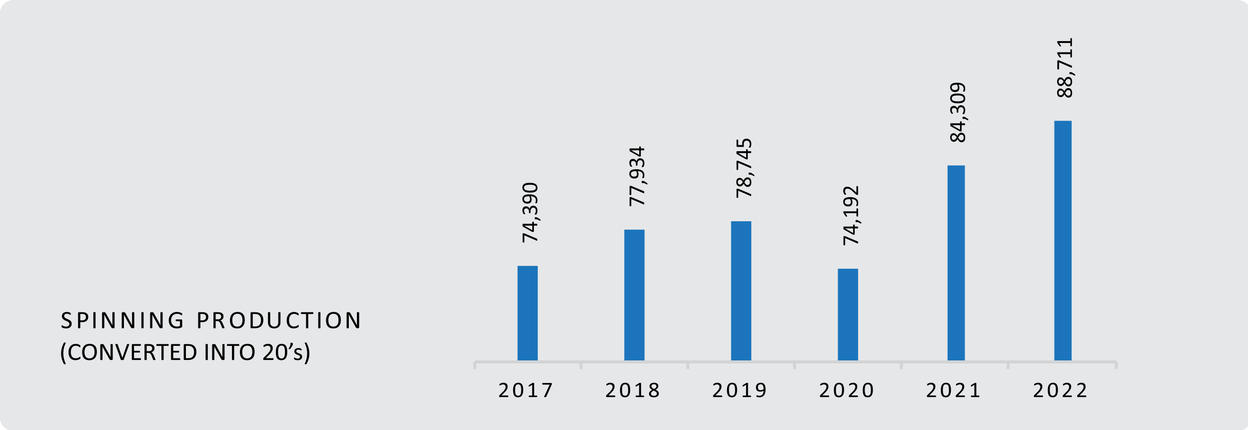
Financial Highlights

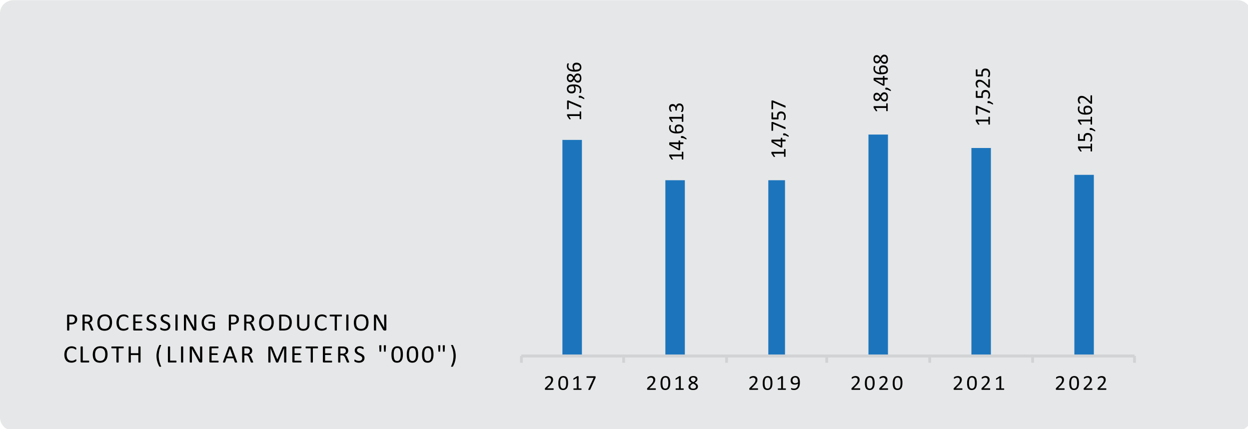
Financial Highlights	2022	2021	2020	2019	2018	2017
						PKR '000'
Summary of Cash flows						
Net cash flows						
Flow from operating activities	3,416,411	2,898,473	(390,215)	2,493,699	394,884	1,171,639
Used in investing activities	(3,359,411)	(1,616,862)	(4,481,124)	(572,930)	(2,202,943)	(196,570)
(Used in) / from financing activities	2,743	(1,218,338)	4,841,586	(1,866,308)	1,815,029	(1,049,146)
Net change in cash and cash equivalents	59,743	63,273	(29,753)	54,461	6,970	(74,077)

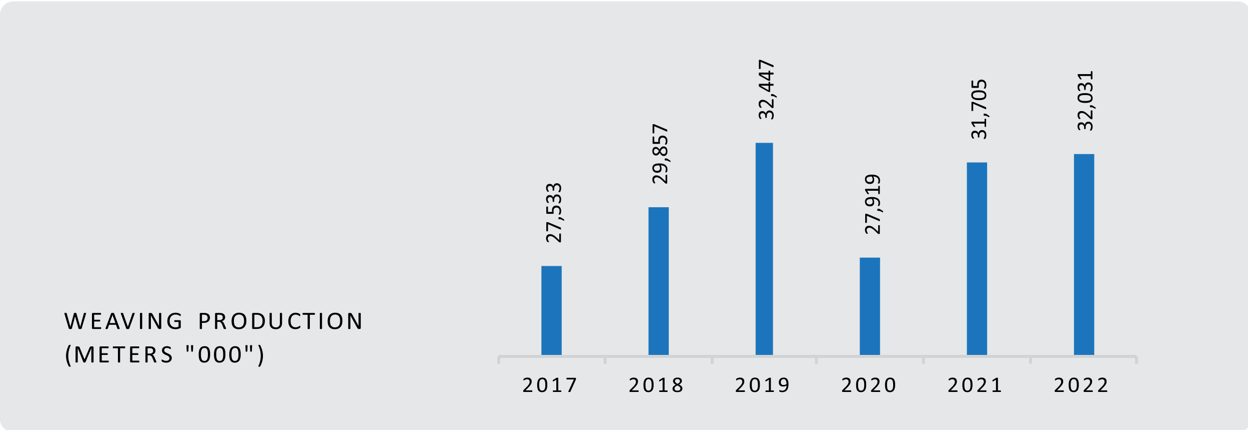


Financial Highlights

Financial Highlights	2022	2021	2020	2019	2018	2017
Quantitative Data						
Yarn (Kgs "000") :						
Production (cont. into 20s)						
KTM Division	50,973	46,536	39,810	41,751	41,331	39,574
KGM Division	37,738	37,773	34,382	36,994	36,603	34,816
	88,711	84,309	74,192	78,745	77,934	74,390
Sales / Transfer for weaving						
KTM Division	19,907	19,329	16,118	16,699	16,483	12,356
KGM Division	6,975	6,573	6,071	5,858	5,724	5,284
	26,882	25,902	22,189	22,557	22,207	17,640
Cloth (Linear meters "000") :						
Processing (Rawalpindi Division)						
Production	15,162	17,525	18,468	14,757	14,613	17,986
Sales	14,542	18,101	15,067	12,967	13,809	17,641
Weaving (Raiwind Division)						
Production	32,031	31,705	27,919	32,447	29,857	27,533
Sales	31,399	32,998	26,654	32,299	29,817	27,021







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 factors such as run / cut size, print density etc. therefore it is showing variable trend over the period.

COMMENTARY ON KEY RATIOS:

- ### Revenue:

Revenue increased by 127% over the period of six years, (i.e. from Rs. 17.40 billion in 2017 to Rs. 39.56 billion in 2022) which resulted in average growth of 21% per year. The increase in revenue is mainly attributable to increased demand of yarn in local market and expansion in production capacity of spinning business in last couple of years. Also, the export volumes showed an increase due to the addition of new export destinations and more sales to existing export countries.

- ### Tangible Fixed Assets:

Tangible Fixed Assets increased by 59% over the period of six years (i.e. from Rs. 8.22 billion to Rs. 13.11 billion). The increase came from capital expenditures on BMR of Plant & Machinery and expansion in spinning divisions of the Company in last couple of years. Further, The Company on average spends around Rs. 0.75 billion per year on BMR of its Plant & Machinery.

- ### Current Assets:

Increase in current assets of the company is attributable to stock in trade and trade debts as company's operations have grown remarkably over last few years due to expansion in production capacity and increased demand of yarn in local market.

During financial year 2022, current assets have increased by 3,353 million (32.02%) on an aggregate basis mainly on account of increase in stock in trade and trade debts.

- ### Current Ratio:

In textile sector effective management of working capital is essential for a long-term sustainable growth. Over the years, effective working capital strategies have led the Company towards improved liquidity position. The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. The current ratio of the Company has increased by 26% over the period of six years (i.e. from 1.05 in 2017 to 1.32 in 2022).

- ### Operating Cycle:

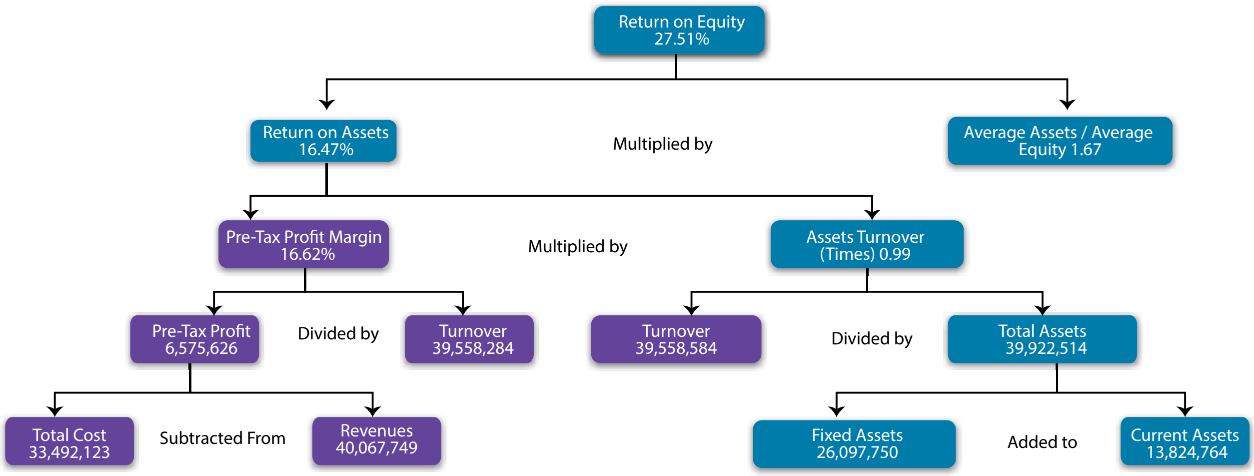
The operating cycle or cash operating cycle is a metric that shows the amount of time it takes a company to convert its investments in inventory to cash. The operating cycle formula measures the amount of time, in days. Due to efficient working capital management the Company has maintained the cash operating cycle around 60 days period.

- ### Interest Cover:

The Interest cover ratio is a financial ratio that is used to determine how well a company can pay the interest on its outstanding debts. The interest cover ratio of the Company is 9.18 times in 2022 as compared to 6.12 times in 2021.

RETURN ON EQUITY (ROE)

DuPont Analysis (RS. '000)



COMMENTS

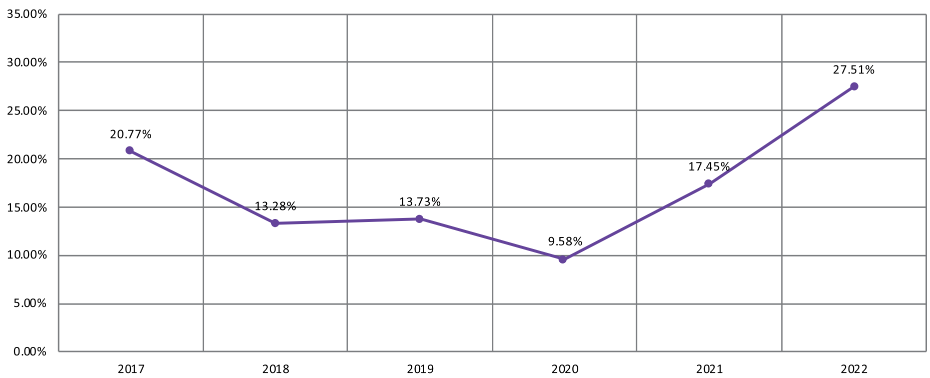
1. DuPont equation indicates increase in ROE over the period. Key driving factors in increased ROE are profit margin and total asset turnover.

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.

Return on Equity (ROE)

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



TAXATION: PROVISION AND ASSESSMENT

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

Particulars	2021	2020	2019
	Rupees in Million		
Provision	578	393	450
Assessment	559	336	266

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 assess 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 indicate the project performance and didn't require any change.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

A performance indicator represents parameters and factors that may cause an impact of decisive nature on a company's financial position, financial performance or liquidity position. Following are the key assumptions in compiling these indicators:

Financial Position

- Appropriateness of capital mix in the company
- Proportion of financial leverage in debt equity mix
- Change in current ratio

Financial performance

- Maintaining high local sales retention
- Monitoring key components of variable cost to be amongst top cost effective players
- Initiating and maintaining techniques for optimal fixed cost absorption and appropriate mix of operational leverage

Liquidity Position

- Keeping an eye on funds used in / generated from operating, investing and financial cash flow activities
- Reviewing funds used in working capital management
- Effectively segregating cash and non-cash items

All the indicators are devised in the light of these basic assumptions and are periodically reviewed and monitored. Furthermore, Company performs variance analysis from corresponding figures of comparative periods and from budgeted figures as comparability over time provides good basis of Corporate Reporting. These indicators are finally used to report financial information to all users of the financial statements in the form of annual financial statements.

DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit ratio:

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio:

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio:

The Operating profit ratio indicates the ratio of company's profit before interest and taxes to net sales.

Current Ratio:

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better it is.

Debt-Equity Ratio:

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For Comparative purposes, debt-equity is most useful for companies within the same industry.

Earnings Per Share (EPS):

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin:

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better it is. Trends in margin can be attributed to rising/falling production costs or rising / falling price of the goods sold.

Return on Equity (ROE):

A percentage that indicates how efficiently common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competitors.

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 highlights 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 fullfill 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.

KTM
Kohinoor Textile Mills Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

WWW.KMLG.COM/KTML

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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 2022, 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 2022 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.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	**Inventory existence and valuation:** As at 30 June 2022, inventory is stated at Rupees 6,953.490 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 985.823 million - Stock-in-trade Rupees 5,967.667 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 17.42% of total assets of the Company as at 30 June 2022, 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 19 and Stock-in-trade note 20 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 15 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 39,558.284 million for the year ended 30 June 2022. 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 26 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'; and • 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: September 12, 2022

UDIN: AR202210187YaARrz321

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022	2021
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
370,000,000 (2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2021: 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	3,871,774
		4,857,851	4,857,851
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		14,998,382	10,856,251
		16,448,873	12,306,742
Total reserves		21,306,724	17,164,593
Total equity		24,299,688	20,157,557
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	4,303,554	3,173,971
Deferred government grants	6	17,400	24,290
Gas Infrastructure Development Cess (GIDC) payable	7	-	14,294
Deferred income tax liability	8	860,560	671,102
		5,181,514	3,883,657
CURRENT LIABILITIES			
Trade and other payables	9	2,962,356	2,657,455
Accrued mark-up	10	108,158	65,021
Short term borrowings	11	5,234,795	5,558,536
Current portion of non-current liabilities	12	1,180,230	1,299,221
Unclaimed dividend		32,634	30,592
Taxation - net	13	923,139	482,216
		10,441,312	10,093,041
TOTAL LIABILITIES		15,622,826	13,976,698
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		39,922,514	34,134,255

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

CHIEF EXECUTIVE OFFICER — DIRECTOR — CHIEF FINANCIAL OFFICER

Kohinoor Textile Mills Limited

	Note	2022	2021
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	13,112,163	10,706,281
Investment properties	16	1,824,360	1,824,360
Long term investments	17	11,106,754	11,078,733
Long term deposits	18	54,473	52,961
		26,097,750	23,662,335
CURRENT ASSETS			
Stores, spare parts and loose tools	19	985,823	811,473
Stock-in-trade	20	5,967,667	3,972,858
Trade debts	21	4,413,988	3,266,729
Advances	22	705,247	612,203
Short term prepayments		31,506	14,599
Other receivables	23	998,782	1,410,306
Short term investments	24	412,122	133,866
Cash and bank balances	25	309,629	249,886
		13,824,764	10,471,920
TOTAL ASSETS		39,922,514	34,134,255

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees in thousand)	
REVENUE	26	39,558,284	29,955,525
COST OF SALES	27	(29,389,027)	(23,822,897)
GROSS PROFIT		10,169,257	6,132,628
DISTRIBUTION COST	28	(1,594,678)	(1,218,390)
ADMINISTRATIVE EXPENSES	29	(747,220)	(643,123)
OTHER EXPENSES	30	(957,075)	(388,309)
		(3,298,973)	(2,249,822)
		6,870,284	3,882,806
OTHER INCOME	31	509,465	178,692
PROFIT FROM OPERATIONS		7,379,749	4,061,498
FINANCE COST	32	(804,123)	(663,789)
PROFIT BEFORE TAXATION		6,575,626	3,397,709
TAXATION	33	(1,834,903)	(641,380)
PROFIT AFTER TAXATION		4,740,723	2,756,329

		2022	2021
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	34	15.84	9.21

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 2022

	2022	2021
	(Rupees in thousand)	
PROFIT AFTER TAXATION	4,740,723	2,756,329
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	4,740,723	2,785,059

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 2022

	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 2020	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,69 8,514	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
Transactions with owners:									
- final dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
- interim dividend for the year ended 30 June 2022 @ 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	-	-	-	-	-	4,740,723	4,740,723	4,740,723	4,740,723
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	4,740,723	4,740,723	4,740,723	4,740,723
Balance as at 30 June 2022	2,992,964	986,077	3,871,774	4,857,851	1,450,491	14,998,382	16,448,873	21,306,724	24,299,688

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 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	5,963,692	4,667,270
Finance cost paid		(749,197)	(795,382)
Income tax paid		(1,204,522)	(761,121)
Worker's welfare fund paid		(29,740)	(17,190)
Workers' profits participation fund paid		(553,088)	(195,101)
Gas Infrastructure Development Cess (GIDC) paid		(9,222)	-
Net increase in long term deposits		(1,512)	(3)
Net cash generated from operating activities		3,416,411	2,898,473
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,186,982)	(1,696,204)
Proceeds from disposal of property, plant and equipment		70,994	109,825
Long term investments made		(28,058)	-
Short term investments - net		(278,219)	(51,069)
Advances to subsidiary company		(700,000)	-
Repayment of advances from subsidiary company		700,000	-
Interest received		40,523	20,586
Dividend received		22,331	-
Net cash used in investing activities		(3,359,411)	(1,616,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,946,684	1,719,338
Repayment of long term financing		(1,023,650)	(419,316)
Short term borrowings - net		(323,741)	(1,920,591)
Dividend paid		(596,550)	(597,769)
Net cash from / (used in) financing activities		2,743	(1,218,338)
Net increase in cash and cash equivalents		59,743	63,273
Cash and cash equivalents at the beginning of the year		249,886	186,613
Cash and cash equivalents at the end of the year		309,629	249,886

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 2022

1. THE COMPANY AND ITS OPERATIONS

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

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
	Manufacturing units:	
1	Spinning and Home textile units	Peshawar Road, Rawalpindi.
2	Spinning unit	Gulyana Road, Gujar Khan, District Rawalpindi.
3	Weaving unit	8 K.M. Manga Raiwind Road, District Kasur.
	Head office	42-Lawrence Road, Lahore.

1.3 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately. Details of the Company's investment in subsidiaries are stated in note 17 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 44)

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 2021:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021;
- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

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 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.

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 2022 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.

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.

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.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 other 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.

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 15.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are de-recognized. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.8 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 can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn) and Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles).

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

2022	2021		2022	2021
(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	2022	2021
		(Rupees in thousand)	
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:	4.2		
- Freehold land			
As at 01 July		2,608,182	2,579,452
Fair value adjustment	15.1	-	28,730
As at 30 June		2,608,182	2,608,182
- Investment properties		1,263,592	1,263,592
		3,871,774	3,871,774
		4,857,851	4,857,851
Revenue reserves			
General reserve	4.3	1,450,491	1,450,491
Unappropriated profit		14,998,382	10,856,251
		16,448,873	12,306,742
		21,306,724	17,164,593

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

4.2 It represents net accumulative increase in the carrying amount as a result of revaluation of freehold land and investment properties upto the date of classification as investment properties carried at revalued amount. This surplus on revaluation of freehold land and investment properties is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

4.3 This represents reserve created out of profits for general purposes.

	Note	2022	2021
		(Rupees in thousand)	
5. LONG TERM FINANCING			
Long term loans:			
From banking companies and other financial institutions - secured	5.1	5,164,912	4,206,688
Less: Current portion shown under current liabilities	12	(861,358)	(1,032,717)
		4,303,554	3,173,971

LENDER	2022	2021	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	18,263	128,087	600,000	SBP LTFF rate + 2.50%	Sixteen equal quarterly installments commenced from 09 September 2016 and ending on 07 November 2022.	Quarterly	Joint pari passu charge amounting to Rupees 3,200 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	335,002	384,684	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	
	424,764	465,504	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	400,000	129,600	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	364,439	-	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 21 January 2023 and ending on 22 June 2029.	Quarterly	
	1,542,468	1,107,875	2,400,000				
MCB Bank Limited	123,825	26,032	125,000	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commencing from 12 November 2023 and ending on 12 August 2031.	Quarterly	First joint pari passu charge amounting to Rupees 180 million (inclusive of 25% margin) over plant and machinery of the Company.
MCB Bank Limited (Note 5.1.1)	466,488	418,522	500,000	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commencing from 25 May 2023 and ending on 04 June 2031.	Quarterly	Joint pari passu charge amounting to Rupees 666.667 million on fixed assets (plant and machinery) of the Company located anywhere in Pakistan.
National Bank of Pakistan	395,274	474,449	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	Joint pari passu charge amounting to Rupees 2,481.333 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	166,455	202,710	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 07 June 2027.	Half yearly	
	136,762	89,362	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commencing from 03 March 2023 and ending on 03 March 2028.	Half yearly	
	500,000	18,107	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commencing from 10 September 2022 and ending on 23 April 2029.	Half yearly	
	257,591	340,371	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	1,456,082	1,124,999	1,861,000				
PAIR Investment Company Limited	132,011	180,484	180,500	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	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.
	118,170	54,033	119,500	SBP LTFF rate + 1.5%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	250,181	234,517	300,000				

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
United Bank Limited	68,894	-	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commencing from 01 April 2024 and ending on 01 July 2029.	Quarterly	First joint pari passu charge amounting to Rupees 667 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
Askari Bank Limited	141,180	172,558	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 amounting to Rupees 467 million (inclusive of 25% margin) over land, building, plant and machinery of Raiwind Division.
Allied Bank Limited	464,293	410,790	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	Joint pari passu charge amounting to Rupees 3,066.667 million (inclusive of 25% margin) over plant and machinery of the Company and personal guarantees of the sponsor directors.
Allied Bank Limited	385,025	-	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 24 January 2023 and ending on 20 June 2029.	Quarterly	
Allied Bank Limited (Note 5.1.2)	266,476	711,395	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 30 December 2022.	Quarterly	
	1,115,794	1,122,185	2,300,000				
	5,164,912	4,206,688	8,336,000				

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 recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan. The reconciliation of the carrying amount is as follows:

	2022	2021
	(Rupees in thousand)	
Balance at beginning of the year	418,522	-
Disbursements during the year	46,477	441,534
	464,999	441,534
Discounting adjustments for recognition at fair value - deferred government grant	(2,481)	(23,575)
Unwinding of discount on liability	3,970	563
Balance as at end of the year	466,488	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 recognized 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 recognized 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	2022	2021
		(Rupees in thousand)	
Balance at beginning of the year		711,395	342,905
Disbursements during the year		-	657,095
Repayments during the year		(478,620)	(250,000)
		232,775	750,000
Discounting adjustments for recognition at fair value - deferred government grant		-	(83,972)
Unwinding of discount on liability		33,701	45,367
Balance as at end of the year		266,476	711,395

6. DEFERRED GOVERNMENT GRANTS

	Note	2022	2021
At beginning of the year		61,617	-
Government grant recognized during the year	6.1	2,481	107,547
Less: Amortisation of deferred government grant during the year		(37,671)	(45,930)
		26,427	61,617
Less: Current portion of deferred government grant	12	(9,027)	(37,327)
		17,400	24,290

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	2022	2021
		(Rupees in thousand)	
Balance at the beginning of the year		243,471	250,011
Add: Adjustment during the year		69,231	-
Add: Unwinding of discount on GIDC payable	32	11,789	13,048
Less: Gain on remeasurement of GIDC	31	(5,424)	(19,588)
Less: Payments made during the year		(9,222)	-
		309,845	243,471
Less: Current portion of GIDC payable	12	(309,845)	(229,177)
	7.1	-	14,294

7.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication. The Company is to pay the balance amount of GIDC in 24 equal monthly installments. However, GIDC payable has been recorded at amortized cost in accordance with IFRS 9.

	Note	2022	2021
		(Rupees in thousand)	
8. DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		904,357	694,466
Deferred tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(41,264)	(21,138)
Provision against obsolete stock in trade		(1,288)	(1,132)
Provision against slow moving stores, spare parts and loose tools		(1,245)	(1,094)
		(43,797)	(23,364)
	8.1	860,560	671,102
8.1 Movement in deferred tax balances is as follows:			
At beginning of the year		671,102	550,564
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		209,891	126,034
- allowance for expected credit losses		(20,126)	(5,496)
- provision against obsolete stock in trade		(156)	-
- provision against slow moving stores, spare parts and loose tools		(151)	-
	33	189,458	120,538
		860,560	671,102
9. TRADE AND OTHER PAYABLES			
Creditors		1,230,735	1,065,125
Accrued liabilities		593,219	508,531
Duties and taxes		516,122	451,191
Sindh infrastructure development cess	9.1	198,652	99,238
Contract liabilities - unsecured		140,743	139,822
Workers' profits participation fund	23.1	-	172,343
Workers' welfare fund		194,936	90,480
Payable to subsidiary company - Maple Leaf Cement Factory Limited - net		38,402	96,779
Payable to subsidiary company - Maple Leaf Capital Limited		-	1,939
Withholding income tax payable		5,779	3,699
Payable to employees' provident fund trust		13,759	4,909
Retention money payable		29,655	21,571
Others		354	1,828
		2,962,356	2,657,455
9.1 Sindh infrastructure development cess			
Balance as at 01 July		99,238	68,880
Add: Provision for the year		99,414	30,358
Balance as at 30 June	9.2	198,652	99,238

9.2 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 filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

	Note	2022	2021
		(Rupees in thousand)	
10. ACCRUED MARK-UP			
Long term financing		48,339	29,547
Short term borrowings		59,819	35,474
		108,158	65,021
11. SHORT TERM BORROWINGS			
From banking companies - secured			
Short term running finances	11.1 & 11.2	104,103	46,593
Other short term finances	11.1 & 11.3	814,500	989,664
State Bank of Pakistan (SBP) refinances	11.1 & 11.4	4,278,931	4,519,777
Temporary overdraft	11.5	37,261	2,502
		5,234,795	5,558,536

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 12,525 million (2021: Rupees 12,070 million).

11.2 The rates of mark-up range from 8.50% to 15.31% (2021: 8.25% to 8.59%) per annum on balance outstanding.

11.3 The rates of mark-up range from 1.15% to 16.16% (2021: 2.97 % to 9.21%) per annum on balance outstanding.

11.4 The rates of mark-up range from 3.0% to 7.50% (2021: 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	2022	2021
		(Rupees in thousand)	
12. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	5	861,358	1,032,717
Deferred government grants	6	9,027	37,327
Current portion of GIDC payable	7	309,845	229,177
		1,180,230	1,299,221

	Note	2022	2021
		(Rupees in thousand)	

13. TAXATION - NET

	Note	2022	2021
Balance as at 01 July		482,216	722,495
Add: Provision for the year	33	1,645,445	520,842
Less: Tax deducted at source / paid during the year		(1,204,522)	(761,121)
Balance as at 30 June		923,139	482,216

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

a) The Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122 (5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Company filed an appeal before 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, based on the advice of its legal counsel is hopeful of a favorable outcome .

b) The Company filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full & 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 based on the advice of its legal counsel.

c) The Company filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Company filed an appeal before 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 based on the advice of its legal counsel.

d) The Company has filed a petition against the National Highway Authority's (NHA) demand for payment of registration fee of Rupees 75 million in accordance with the National Highway Authority Act of 1991. The argument is based on the fact that the Company is registered with relevant local bodies at the time of its establishment and that registration with NHA is not required. Moreover, legislation cannot be applied retrospectively to any company. A single bench of the Lahore High

Court granted interim relief in favour of the Company in its order dated 22 October 2020, and the issue is presently pending adjudication. No provision has been made in these financial statements as the Company is hopeful of favorable outcome based on the advice of its legal counsel.

e) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Company filed an appeal before CIR (A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Company while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), DCIR commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Company has filed an appeal against the order of the CIR (A) before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

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 358.538 million (2021: Rupees 175.619 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 (2021: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these financial statements since the Company is confident about favorable outcome of the cases based on the advice of its legal counsel.

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 based on the advice of its legal counsel.

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 based on the advice of its legal counsel.

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 624.323 million (2021: Rupees 371.011 million).

14.2 Commitments in respect of:

a) Letters of credit for capital expenditure amounting to Rupees 2,994.800 million (2021: Rupees 927.920 million).

b) Letters of credit other than for capital expenditure amounting to Rupees 2,244.977 million (2021: Rupees 3,303.062 million).

	2022	2021
	(Rupees in thousand)	
15. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 15.1)	11,272,055	10,119,371
Capital work-in-progress (Note 15.2)	1,840,108	586,910
	13,112,163	10,706,281

15.1 Operating fixed assets

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixtures	Office equipment	Vehicles	Total
	------------------------					(Rupees in thousand)					------------------------
At 30 June 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	-	-	-	-	267,081	20,296	13,958	49,181	9,866	-	360,382
Transfers (Note 15.2)	-	-	168,995	19,734	927,909	-	-	8,326	-	63,128	1,188,092
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
Year ended 30 June 2022											
Opening 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
Additions	-	-	-	25,105	6,250	670	8,791	5,823	15,210	31,914	93,763
Transfers (Note 15.2)	-	-	237,922	2,499	1,556,654	-	-	-	-	42,946	1,840,021
Disposals:											
Cost	-	-	-	-	(86,091)	-	(873)	-	-	(39,196)	(126,160)
Accumulated depreciation	-	-	-	-	68,876	-	635	-	-	30,472	99,983
	-	-	-	-	(17,215)	-	(238)	-	-	(8,724)	(26,177)
Depreciation charge	-	(351)	(89,431)	(6,667)	(606,128)	(3,132)	(11,056)	(3,115)	(3,921)	(31,122)	(754,923)
Closing net book value	2,768,287	29,021	1,033,488	99,762	6,958,446	27,232	33,313	80,029	44,573	197,904	11,272,055
At 30 June 2022											
Cost / revalued amount	2,768,287	39,088	2,054,746	184,809	13,102,752	70,724	154,797	148,872	85,622	345,146	18,954,843
Accumulated depreciation	-	(10,067)	(1,021,258)	(85,047)	(6,144,306)	(43,492)	(121,484)	(68,843)	(41,049)	(147,242)	(7,682,788)
Net book value	2,768,287	29,021	1,033,488	99,762	6,958,446	27,232	33,313	80,029	44,573	197,904	11,272,055
Depreciation rate (%)	-	5	5 - 10	5 - 10	10	10	30	10	10	20	

15.1.1 Freehold land was revalued by an independent valuer Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2022. Book value of freehold land on cost basis is Rupees 160.105 million (2021: Rupees 160.105 million) as at 30 June 2022. Had there been no revaluation, the value of freehold land would have been lower by Rupees 2,608.182 million (2021: Rupees 2,608.182 million). Forced sale value of freehold land is Rupees 2,353.044 million (2021: Rupees 2,353.044 million).

15.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Plant and Machinery							
Schlafhorst Auto Winder RM-338	42,265	34,647	7,618	16,684	9,066	Negotiation	H.A. Haq Spinning Mills (Private) Limited, Faisalabad
Schlafhorst Auto Winder RM-338	24,861	18,460	6,401	10,000	3,599	Negotiation	Allawasaya Spinning Mills (Private) Limited, Multan
Generator Diesel Caterpillar	9,264	8,121	1,143	1,196	53	Negotiation	Sanadeed Trading Company, Faisalabad
Chiller LG	9,700	7,648	2,052	5,299	3,247	Negotiation	Professional Engineering Solution, Lahore
	86,090	68,876	17,214	33,179	15,965		
Vehicles							
Toyota Land Cruiser RID-2750	4,299	3,647	652	6,700	6,048	Negotiation	Muhammad Arshad, Company's employee, Rawalpindi
Suzuki Cultus RI-466	1,129	613	516	1,093	577	Negotiation	E.F.U. General Insurance Limited, Karachi
Honda Civic LE-15-5926	2,565	1,791	774	3,000	2,226	Negotiation	Atif Amin Chaudhry, Lahore
Mercedes Benz LZO 6000	15,000	13,190	1,810	13,000	11,190	Negotiation	Pakwest Industries (Private) Limited, Lahore
Honda Civic LE-15-5927	2,509	1,787	722	1,636	914	Negotiation	Salman Moin, Company's employee, Lahore
Suzuki Cultus LED-18A-203	1,613	740	873	1,400	527	Negotiation	Umer Saleh, Company's employee, Lahore
Honda Civic LEF-14-4809	2,532	1,872	660	2,140	1,480	Negotiation	AG Motors, Lahore
	29,647	23,640	6,007	28,969	22,962		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	10,423	7,467	2,956	8,846	5,890		
	126,160	99,983	26,177	70,994	44,817		

	Note	2022	2021
		(Rupees in thousand)	
15.1.3 Depreciation charged during the year has been allocated as follows:			
Cost of sales	27	701,565	594,743
Administrative expenses	29	53,358	45,992
		754,923	640,735

15.1.4 Particulars of immovable properties (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total Area (Acres)	Covered Area ("000" Sqr meters)
Peshawar Road, Rawalpindi	Manufacturing facilities	64.68	1,147.55
	Residential and offices	56.58	832.57
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

15.2 Capital work in progress

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
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	15.1	(188,729)	(927,909)	(71,454)	(1,188,092)
At 30 June 2021		175,859	408,896	2,155	586,910
Add: Additions during the year		500,798	2,178,994	413,427	3,093,219
Less: Transferred to operating fixed assets during the year	15.1	(240,421)	(1,556,654)	(42,946)	(1,840,021)
At 30 June 2022		436,236	1,031,236	372,636	1,840,108

	Note	2022	2021
		(Rupees in thousand)	
16. INVESTMENT PROPERTIES			
Year ended 30 June			
Opening net book value		1,824,360	1,792,755
Fair value gain	31	-	31,605
Closing net book value		1,824,360	1,824,360

16.1 The fair value of investment properties comprising land and building 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 2022.

16.2 Forced sale value of these properties as at 30 June 2022 was Rupees 1,550.707 million (2021: Rupees 1,550.707 million).

16.3 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	2022	2021
		(Rupees in thousand)	
17. LONG TERM INVESTMENTS			
Equity instruments	17.1	11,078,733	11,078,733
Debt instruments - at amortized cost:			
Term deposit receipts:	17.2		
- United Bank Limited		13,950	-
- MCB Bank Limited		13,927	-
		27,877	-
Add: Accrued markup		144	-
		28,021	-
		11,106,754	11,078,733

17.1 Equity instruments - subsidiary companies:

	Note	2022	2021
Maple Leaf Cement Factory Limited - Quoted	17.1.1	8,578,733	8,578,733
Maple Leaf Capital Limited - Un-quoted	17.1.2	2,500,000	2,500,000
		11,078,733	11,078,733

17.1.1 The Company holds 606,497,944 (2021: 606,497,944) ordinary shares of Rupees 10 each of Maple Leaf Cement Factory Limited. Equity held 55.22% (2021: 55.22%).

17.1.2 The Company holds 250,000,000 (2021: 250,000,000) ordinary shares of Rupees 10 each of Maple Leaf Capital Limited. Equity held 82.92% (2021: 82.92%).

17.2 These term deposit receipts have maturity period of three years and carrying profit at effective rate of 14.50% (2021: Nil). These are under lien with the bank against guarantees given on behalf of the Company.

18. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections. These are not being carried at amortized cost as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

	Note	2022	2021
		(Rupees in thousand)	
19. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	19.1	911,718	753,418
Spare parts and loose tools		77,877	61,827
		989,595	815,245
Less: Provision against slow moving stores, spare parts and loose tools		(3,772)	(3,772)
		985,823	811,473

19.1 This includes stores in transit of Rupees 46.813 million (2021: Rupees 20.999 million).

	Note	2022	2021
		(Rupees in thousand)	
20. STOCK-IN-TRADE			
Raw materials	20.1 & 20.3	3,150,732	2,202,633
Work-in-process		925,168	786,993
Finished goods	20.2	1,895,671	987,136
		5,971,571	3,976,762
Less: Provision against obsolete stock in trade		(3,904)	(3,904)
		5,967,667	3,972,858

20.1 Raw materials include stock in transit of Rupees 162.638 million (2021: Rupees 17.094 million). Further, Raw materials of Rupees 200.016 million (2021: Rupees Nil) 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 139.533 million (2021: Rupees Nil).

20.2 Finished goods include stock in transit of Rupees 126.121 million (2021: Rupees 39.851 million). Further, finished goods of Rupees 243.416 million (2021: Rupees 91.276 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 39.297 million (2021: Rupees 3.039 million).

20.3 Raw materials include stock amounting to Rupees 20.224 million (2021: Rupees 23.897 million) with external parties for processing.

	Note	2022	2021
		(Rupees in thousand)	
21. TRADE DEBTS			
Considered good:			
Secured (against letters of credit)		2,634,803	1,957,114
Unsecured		1,904,226	1,382,503
		4,539,029	3,339,617
Less: Allowance for expected credit losses	21.2	(125,041)	(72,888)
		4,413,988	3,266,729

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

	Note	2022	2021
		(Rupees in thousand)	
21.2 Allowance for expected credit losses			
Opening balance		72,888	53,937
Recognized during the year	30	52,153	18,951
Balance at end of year		125,041	72,888

21.3 As at 30 June 2022, trade debts of Rupees 1,646.542 million (2021: Rupees 676.415 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	2022	2021
		(Rupees in thousand)	
Upto 1 month		1,074,815	433,662
1 to 6 months		561,664	233,716
More than 6 months but less than one year		633	3,408
More than one year		9,430	5,629
		1,646,542	676,415

21.4 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.

21.5 The majority of export debtors of the Company are situated in Asia, Europe and America.

	Note	2022	2021
		(Rupees in thousand)	
22. ADVANCES			
Considered good:			
Employees - interest free	22.1		
- Executives		6,740	328
- Other employees		1,980	1,584
		8,720	1,912
Advances to suppliers - unsecured and considered good		582,262	447,382
Advances against letters of credit		114,265	162,909
		705,247	612,203

22.1 These represent short term advances given to employees as per company's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

	Note	2022	2021
		(Rupees in thousand)	
23. OTHER RECEIVABLES			
Considered good:			
Sales tax refundable		762,635	864,748
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		39,427	29,987
Duty draw back receivable		136,705	487,117
Receivable from Workers' profits participation fund	23.1	32,435	-
Due from subsidiary company - Maple Leaf Capital Limited	23.2	4,240	-
Others		3,714	8,828
		998,782	1,410,306

	Note	2022	2021
		(Rupees in thousand)	
23.1 Workers' profits participation fund			
Balance as on 01 July		(172,343)	(193,553)
Interest for the period	32	(496)	(10,172)
Provision for the year	30	(347,814)	(163,719)
		(520,653)	(367,444)
Less: Payments during the year		553,088	195,101
		32,435	(172,343)

23.1.1 Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds retained by the Company till the date of allocation to workers.

23.2 This includes receivable against sale of vehicle and markup on advance given to Maple Leaf Capital Limited. The maximum aggregate amount against advance outstanding at the end of any month during the year was Rupees 200 million (2021: Rupees Nil). As at 30 June 2022, due from subsidiary company was neither past due nor impaired. The age analysis is 1 to 6 months.

	Note	2022	2021
		(Rupees in thousand)	
24. SHORT TERM INVESTMENTS			
At amortized cost:			
Term deposit receipts:	24.1		
- JS Bank Limited		6,960	-
- United Bank Limited		317,600	132,500
- The Bank of Khyber		80,000	-
		404,560	132,500
Add: Accrued markup		6,581	1,366
		411,141	133,866
Fair value through profit or loss:			
Mutual funds: MCB - Arif Habib Savings and Investments Limited	24.2	981	-
		412,122	133,866

24.1 These term deposit receipts have maturity period ranging from one month to one year. The effective rate of profit ranges from 11% to 12% (2021: 6.50%). These are under lien with the bank against guarantees given on behalf of the Company.

24.2 It represents 19,443 units (2021: Nil) having carrying and fair value of Rupees 0.981 million (2021: Rupees Nil). There is no unrealized gain or loss as at 30 June 2022.

	Note	2022	2021
		(Rupees in thousand)	

25. CASH AND BANK BALANCES

	Note	2022	2021
Cash in hand		1,774	2,854
Cash at bank:			
- On current accounts	25.2	111,856	103,075
- On saving accounts	25.1, 25.2 & 25.3	195,999	143,957
		307,855	247,032
		309,629	249,886

25.1 The balances in saving accounts carry rate of profit ranging from 2.75% to 12.25% (2021: 2.34% to 5.50%) per annum.

25.2 The balances in current and saving accounts include USD 110,264 (2021: USD 64,311).

25.3 The balances in saving accounts include an amount of Rupees 15.155 million (2021: Rupees 15.155 million) held under lien against guarantees issued by the bank on behalf of the Company.

	Note	2022	2021
		(Rupees in thousand)	

26. REVENUE

	Note	2022	2021
Revenue from contracts with customers:			
- Export sales		14,544,023	11,949,562
- Local sales	26.1 & 26.5	24,934,728	17,639,406
		39,478,751	29,588,968
Export rebate		79,533	88,353
Duty draw back		-	278,204
		39,558,284	29,955,525

		2022	2021
26.1	Local sales	29,198,883	20,657,745
	Less: sales tax	(4,264,155)	(3,018,339)
		24,934,728	17,639,406

26.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments (Note 39).

	Spinning		Weaving		Processing and Home Textiles		Company	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							
Primary geographical markets								
Europe	-	-	4,362,025	1,917,794	3,330,060	2,027,775	7,692,085	3,945,569
United States of America and Canada	-	-	40,233	162,987	5,625,195	4,887,395	5,665,428	5,050,382
Asia, Africa, Australia	-	-	324,381	260,652	862,129	2,692,959	1,186,510	2,953,611
Pakistan	21,429,627	14,463,555	3,290,628	2,998,046	214,473	177,805	24,934,728	17,639,406
Export rebate and duty draw back	-	-	-	-	79,533	366,557	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	39,558,284	29,955,525
Major product / service lines								
Yarn	21,342,523	14,393,124	-	-	-	-	21,342,523	14,393,124
Greige fabric	-	-	8,017,267	5,339,479	-	-	8,017,267	5,339,479
Made-ups	-	-	-	-	9,466,007	9,229,624	9,466,007	9,229,624
Finished fabric	-	-	-	-	506,540	492,058	506,540	492,058
Processing income	-	-	-	-	24,952	21,654	24,952	21,654
Waste	87,104	70,431	-	-	34,358	42,598	121,462	113,029
Export rebate and duty draw back	-	-	-	-	79,533	366,557	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	39,558,284	29,955,525
Revenue from contracts with customers	21,429,627	14,463,555	8,017,267	5,339,479	10,031,857	9,785,934	39,478,751	29,588,968
Export rebate and duty draw back	-	-	-	-	79,533	366,557	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	39,558,284	29,955,525
Timing of revenue recognition								
Products transferred at a point in time	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	39,558,284	29,955,525
Products and services transferred over time	-	-	-	-	-	-	-	-
External revenue as reported	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	39,558,284	29,955,525

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

26.4 The amount of Rupees 98.953 million included in contract liabilities (Note 9) at 30 June 2021 has been recognized as revenue during the year (2021: Rupees 119.780 million).

26.5 These include sales of Rupees 4,561.786 million (2021: Rupees 1,838.290 million) to direct exporters against standard purchase orders (SPOs).

	Note	2022	2021
		(Rupees in thousand)	

27. COST OF SALES

	Note	2022	2021
Raw materials consumed	27.1	21,550,452	14,428,347
Salaries, wages and other benefits	27.2	2,303,244	2,162,983
Processing charges		7,567	44,409
Stores, spare parts and loose tools consumed		1,603,002	1,799,876
Packing materials consumed		700,006	817,914
Fuel and power		3,198,929	2,796,886
Repair and maintenance		246,955	153,154
Insurance		41,903	27,855
Other factory overheads		82,114	80,364
Depreciation	15.1.3	701,565	594,743
		30,435,737	22,906,531
Work-in-process			
Opening stock		786,993	1,000,429
Closing stock		(925,168)	(786,993)
		(138,175)	213,436
Cost of goods manufactured		30,297,562	23,119,967
Finished goods			
Opening stock		987,136	1,690,066
Closing stock		(1,895,671)	(987,136)
		(908,535)	702,930
Cost of sales		29,389,027	23,822,897

27.1 Raw materials consumed

	2022	2021
Opening stock	2,202,633	2,676,123
Add: Purchased during the year	22,498,551	13,954,857
	24,701,184	16,630,980
Less: Closing stock	(3,150,732)	(2,202,633)
	21,550,452	14,428,347

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 58.970 million (2021: Rupees 52.155 million) by the Company.

	Note	2022	2021
		(Rupees in thousand)	

28. DISTRIBUTION COST

	Note	2022	2021
Salaries and other benefits	28.1	119,326	103,725
Outward freight and handling		194,713	69,818
Clearing and forwarding		1,031,089	838,319
Commission to selling agents		223,709	157,918
Travelling and conveyance		4,375	999
Insurance		2,636	13,750
Vehicles' running		4,622	3,959
Electricity, gas and water		3,053	3,090
Postage, telephone and fax		2,510	3,153
Sales promotion and advertisement		267	15,536
Miscellaneous		8,378	8,123
		1,594,678	1,218,390

28.1 Salaries and other benefits include provident fund contribution of Rupees 4.889 million (2021: Rupees 4.175 million) by the Company.

	Note	2022	2021
		(Rupees in thousand)	

29. ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries and other benefits	29.1	437,650	375,613
Travelling and conveyance		16,849	9,399
Repair and maintenance		40,843	37,886
Rent, rates and taxes	29.3	8,527	17,369
Insurance		12,223	12,423
Vehicles' running		28,476	20,300
Printing, stationery and periodicals		8,929	8,722
Electricity, gas and water		16,613	10,302
Postage, telephone and fax		8,310	9,760
Legal and professional		42,576	33,265
Fee and subscription		9,725	2,878
Security, gardening and sanitation		45,274	39,902
Entertainment		10,017	8,336
Training and seminars		3,004	2,693
Depreciation	15.1.3	53,358	45,992
Miscellaneous		4,846	8,283
		747,220	643,123

29.1 Salaries and other benefits include provident fund contribution of Rupees 10.387 million (2021: Rupees 9.286 million) by the Company.

29.2 The Company has shared expenses aggregating to Rupees 21.666 million (2021: Rupees 14.050 million) on account of combined offices with the Maple Leaf Cement Factory Limited - subsidiary company. These expenses have been recorded in respective accounts.

29.3 It includes lease payment of Rupees 0.276 million (2021: Rupees 0.132 million) in respect of short term leases.

	Note	2022	2021
		(Rupees in thousand)	

30. OTHER EXPENSES

	Note	2022	2021
Auditor's remuneration	30.1	2,871	2,435
Donations	30.2 & 30.3	6,119	10,623
Duty draw back receivable written off		105,827	-
Sales tax refundable written off		229,575	-
Slow moving stores, spare parts and loose tools written off		78,520	-
Allowance for expected credit losses	21.2	52,153	18,951
Workers' profits participation fund	23.1	347,814	163,719
Workers' welfare fund		134,196	69,340
Exchange loss - net		-	123,241
		957,075	388,309

30.1 Auditors' remuneration

	2022	2021
Audit fee	2,100	2,100
Reimbursable expenses	451	335
Certifications	320	-
	2,871	2,435

30.2 It represents donation amounting to Rupees 6.119 million (2021: Rupees 10.473 million) to Gulab Devi Chest Hospital, Lahore and Rupees Nil (2021: Rupees 0.15 million) to Eduljee Dinshaw Road Project Trust.

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

	Note	2022	2021
		(Rupees in thousand)	

31. OTHER INCOME

	Note	2022	2021
Income from financial assets:			
Exchange gain - net		310,646	-
Return on bank deposits		24,676	14,128
Return on investments		15,847	6,242
Dividend income on investments carried at fair value through profit or loss		22,331	-
Interest income on loans and advances to Maple Leaf Capital Limited		7,088	-
		380,588	20,370
Income from non-financial assets:			
Scrap sales		77,011	74,706
Gain on disposal of operating fixed assets	15.1.2	44,817	32,423
Gain on sale of stores and spares		1,625	-
Gain on remeasurement of investment properties	16	-	31,605
Gain on remeasurement of GIDC payable	7	5,424	19,588
		128,877	158,322
		509,465	178,692

	Note	2022	2021
		(Rupees in thousand)	

32. FINANCE COST

	Note	2022	2021
Mark-up / finance charges / interest on:			
Long term financing		154,111	117,362
Short term borrowings from banking companies		527,135	448,047
Short term borrowing from Maple Leaf Capital Limited		-	2,004
Unwinding of discount on GIDC payable	7	11,789	13,048
Workers' profits participation fund	23.1	496	10,172
		693,531	590,633
Bank charges and commission		110,592	73,156
		804,123	663,789

33. TAXATION

	Note	2022	2021
Current tax:			
- Current year		1,645,445	578,130
- Prior year		-	(57,288)
	13	1,645,445	520,842
Deferred tax	8.1	189,458	120,538
	33.1	1,834,903	641,380

33.1 The provision for current tax represents corporate tax on local sales and income from other sources, final tax on export sales and super tax on income calculated as per section 4C of income tax ordinance, 2001. Reconciliation of tax expense and product of accounting profit multiplied by the applicable rate is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Profit before tax		6,575,626	3,397,709
Tax on profit @ 29% (2021: 29%)		1,906,932	985,336
Tax effect of lower rate on income from exports and dividend		(620,932)	(332,560)
Tax effect of prior year adjustment		-	(57,288)
Tax effect of permanent differences		71,177	44,166
Tax effect of super tax		422,711	-
Others		55,015	1,726
		1,834,903	641,380

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2022	2021
Profit attributable to ordinary shares	RUPEES IN THOUSAND	4,740,723	2,756,329
Weighted average number of ordinary shares	NUMBERS	299,296,456	299,296,456
Earnings per share	RUPEES	15.84	9.21

	Note	2022	2021
		(Rupees in thousand)	

35. CASH GENERATED FROM OPERATIONS

	Note	2022	2021
Profit before taxation		6,575,626	3,397,709
Adjustment for non-cash charges and other items:			
Depreciation		754,923	640,735
Finance cost		804,123	663,789
Gain on disposal of operating fixed assets		(44,817)	(32,423)
Return on term deposit receipts		(15,847)	(6,242)
Return on bank deposits		(24,676)	(14,128)
Dividend income		(22,331)	-
Allowance for expected credit losses		52,153	18,951
Gain on remeasurement of investment properties		-	(31,605)
Gain on remeasurement of GIDC payable		(5,424)	(19,588)
Duty draw back receivable written off		105,827	-
Sales tax refundable written off		229,575	-
Slow moving stores, spare parts and loose tools written off		78,520	-
Provision for Workers' profits participation fund		347,814	163,719
Provision for Workers' welfare fund		134,196	69,340
Working capital changes	35.1	(3,005,970)	(182,987)
		5,963,692	4,667,270

35.1 Working capital changes

	2022	2021
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(252,870)	(105,723)
Stock-in-trade	(1,994,809)	1,389,856
Trade debts	(1,199,412)	(925,630)
Advances	(93,044)	(305,878)
Short term prepayments	(16,907)	(3,796)
Other receivables	76,122	(345,738)
	(3,480,920)	(296,909)
Increase in trade and other payables	474,950	113,922
	(3,005,970)	(182,987)

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

	2022 Liabilities from financing activities			
	Long term financing	Short term borrowings	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------			
Balance as at 01 July 2021	4,206,688	5,558,536	30,592	9,795,816
Proceeds from long term financing	1,946,684	-	-	1,946,684
Repayment of long term financing	(1,023,650)	-	-	(1,023,650)
Short term borrowings - net	-	(323,741)	-	(323,741)
Dividend declared	-	-	598,592	598,592
Dividend paid	-	-	(596,550)	(596,550)
Other charges - non-cash movement	35,190	-	-	35,190
Balance as at 30 June 2022	5,164,912	5,234,795	32,634	10,432,341

	2021			
	Liabilities from financing activities			
	Long term financing	Short term borrowings	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	1,719,338	-	-	1,719,338
Repayment of long term financing	(419,316)	-	-	(419,316)
Short term borrowings - net	-	(1,920,591)	-	(1,920,591)
Dividend declared	-	-	598,592	598,592
Dividend paid	-	-	(597,769)	(597,769)
Other charges - non-cash movement	(61,617)	-	-	(61,617)
Balance as at 30 June 2021	4,206,688	5,558,536	30,592	9,795,816

36. 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	
	2022	2021	2022	2021	2022	2021
	-----------------(Rupees in Thousand)----------------					
Managerial remuneration	28,140	23,265	30,342	23,829	145,740	118,010
Allowances						
House rent	4,064	3,941	2,327	1,644	31,011	25,961
Medical	2,435	-	2,844	1,220	13,874	11,568
Utilities	6,477	8,326	6,501	8,302	29,472	24,839
Special allowance	8,854	6,847	10,995	8,511	38,772	32,232
Contribution to provident fund	2,344	1,938	2,527	1,985	11,165	9,763
	52,314	44,317	55,536	45,491	270,034	222,373
Number of persons	1	1	2	2	61	52

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 (2021: 2) non-executive directors was Rupees 216,665 (2021: Rupees 324,998).

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

37. TRANSACTIONS WITH RELATED PARTIES

37.1 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:

	2022	2021
	(Rupees in thousand)	
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	101,341	144,968
Sale of property, plant and equipment	-	3,533
Expenses paid by Maple Leaf Cement Factory Limited on behalf of the Company	1,948	5,265
Common expenses	21,666	14,050
Maple Leaf Capital Limited		
Loan repaid	-	445,216
Mark-up on loans obtained	-	2,004
Advances	700,000	-
Repayment of advances	700,000	-
Mark up charged on advances	7,088	-
Purchase of property, plant and equipment	-	3,533
Sale of property, plant and equipment	-	1,594
Post employment benefit plan		
Contribution to provident fund	74,246	65,616

37.2 The related party status of outstanding balances as at 30 June 2022 are included in trade and other payables (note 9), long term investments (note 17) and other receivables (note 23). The receivables and payables are primarily unsecured in nature.

37.3 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
		2022	2021	
Maple Leaf Capital Limited	Subsidiary	Yes	Yes	82.92%
Maple Leaf Cement Factory Limited	Subsidiary	Yes	Yes	55.22%
Maple Leaf Power Limited	Sub-subsidiary	No	No	55.22%

37.4 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%] (2021: 73,390,896) and 55,256,992 [18.46%] (2021: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (2021: Rupees 146,781,792) and Rupees 102,054,984 (2021: Rupees 99,279,984) respectively was paid during the year.

37.5 TRG Pakistan Limited and Greentree Holdings Limited (incorporated in Bermuda) are the associated companies of the Company due to common director ship. The Company has not entered into any transaction with these associated companies during the year.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

SPINNING:

	2022	2021
- Rawalpindi Division	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	46,931	45,337
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	42,675	41,252
	(NUMBERS)	
Open-end 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 (2021: 1,095 shifts)	6,053	6,037
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	5,288	5,284
	(NUMBERS)	
MVS Spindles (average) installed / worked	384	-
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,064 shifts (2021: Nil)	3,301	-
Actual production converted into 20s count based on 3 shifts per day for 1,063 shifts (2021: Nil)	3,010	-
- Gujar Khan Division	(NUMBERS)	
Ring 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 (2021: 1,095 shifts)	41,986	41,944
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	37,738	37,773

	2022	2021
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 (2021: 1,095 shifts)	116,566	116,566
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	109,516	98,283
PROCESSING OF CLOTH :		
- Rawalpindi Division	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	15,162	17,525
POWER PLANT:		
- Rawalpindi Division	(MEGA WATTS)	
Annual rated capacity based on 365 days (2021: 365 days)	241,706	241,706
Actual generation		
Furnace engines	20,400	31,862
Gas engines	34,536	21,257
Solar	7,035	7,129
- Raiwind Division		
Annual rated capacity based on 365 days (2021: 365 days)	96,360	96,360
Actual generation	18,557	30,221
- Gujar Khan Division		
Annual rated capacity based on 365 days (2021: 365 days)	36,744	1,584
Actual generation - solar	6,224	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.

39. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textiles		Elimination of inter-segment transactions		Company	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)									
REVENUE:										
EXTERNAL	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	-	-	39,558,284	29,955,525
INTER-SEGMENT	412,158	806,245	1,238,073	1,531,164	6,174	7,764	(1,656,405)	(2,345,173)	-	-
	21,841,785	15,269,800	9,255,340	6,870,643	10,117,564	10,160,255	(1,656,405)	(2,345,173)	39,558,284	29,955,525
COST OF SALES	(15,078,921)	(11,661,101)	(8,048,509)	(6,070,009)	(7,918,002)	(8,436,960)	1,656,405	2,345,173	(29,389,027)	(23,822,897)
GROSS PROFIT	6,762,864	3,608,699	1,206,831	800,634	2,199,562	1,723,295	-	-	10,169,257	6,132,628
DISTRIBUTION COST	(66,099)	(44,737)	(278,075)	(133,372)	(1,250,504)	(1,040,281)	-	-	(1,594,678)	(1,218,390)
ADMINISTRATIVE EXPENSES	(323,335)	(267,920)	(174,641)	(148,429)	(249,244)	(226,774)	-	-	(747,220)	(643,123)
	(389,434)	(312,657)	(452,716)	(281,801)	(1,499,748)	(1,267,055)	-	-	(2,341,898)	(1,861,513)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	6,373,430	3,296,042	754,115	518,833	699,814	456,240	-	-	7,827,359	4,271,115
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(957,075)	(388,309)
OTHER INCOME									509,465	178,692
FINANCE COST									(804,123)	(663,789)
TAXATION									(1,834,903)	(641,380)
									(3,086,636)	(1,514,786)
PROFIT AFTER TAXATION									4,740,723	2,756,329

39.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							
TOTAL ASSETS FOR REPORTABLE SEGMENT	11,264,265	6,987,209	5,651,477	3,619,156	10,043,220	5,555,619	26,958,962	16,161,984
UNALLOCATED ASSETS							12,963,552	17,972,271
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION							39,922,514	34,134,255

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	
	2022	2021	2022	2021	2022	2021	2022	2021
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	5,210,763	3,581,834	1,092,762	781,283	5,496,385	6,089,278	11,799,910	10,452,395
UNALLOCATED LIABILITIES							3,822,916	3,524,303
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION							15,622,826	13,976,698

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

39.2 Geographical Information

39.2.1 The Company's revenue from external customers by geographical location is detailed in note 26.2 to the financial statements.

39.2.2 All non-current assets as at reporting date are located and operated in Pakistan.

39.3 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the segment's revenue in Weaving segment was Rupees 3,636 million (2021: Rupees 1,462 million) whereas in the Processing and Home Textile segment was Rupees 5,117 million (2021: Rupees 4,301 million).

39.4 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.

40. 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.

41. NUMBER OF EMPLOYEES

	2022	2021
Number of employees as at 30 June	5,651	5,475
Average number of employees during the year	5,523	5,463

42. FINANCIAL RISK MANAGEMENT

42.1 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:

	2022	2021
Cash at banks - USD	110,264	64,311
Trade debts - USD	8,528,124	9,314,959
Trade debts - Euro	15,704	421,175
Trade and other payables - USD	6,746	-
Net exposure - USD	8,631,642	9,379,270
Net exposure - Euro	15,704	421,175
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	178.56	160.22
Reporting date rate	205.50	157.80
Rupees per Euro		
Average rate	200.86	188.53
Reporting date rate	215.23	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 83.379 million and Rupees 0.159 million (2021: Rupees 69.567 million and Rupees 3.724 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 Company is exposed to commodity price risk as it hold financial instruments based commodity prices.

Sensitivity analysis

The Company's investment in mutual fund amounting to Rupees 0.981 million (2021: Rupees Nil) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2022, if fair value (NAV) had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been higher / lower by Rupees 0.01 million (2021: Rupees Nil).

(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, term deposit receipts and advances to subsidiary companies. 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:

	2022	2021
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	439,162	133,866
Financial liabilities		
Long term financing	5,164,912	4,077,088
Short term borrowings	4,278,931	4,519,777
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	195,999	143,957
Financial liabilities		
Long term financing	-	129,600
Short term borrowings	918,603	1,036,257

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 4.201 million (2021: Rupees 5.861 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:

	2022	2021
	(Rupees in thousand)	
Trade debts	4,413,988	3,266,729
Investments	440,143	133,866
Deposits	54,473	52,961
Advances	8,720	1,912
Other receivables	7,954	8,828
Bank balances	307,855	247,032
	5,233,133	3,711,328

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			2022	2021
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	15,598	15,198
Allied Bank Limited	A1+	AAA	PACRA	69,924	4,724
Askari Bank Limited	A1+	AA+	PACRA	1,389	6,862
Bank Alfalah Limited	A1+	AA+	PACRA	16,821	13,501
Bank Al-Habib Limited	A1+	AAA	PACRA	14,205	26,753
Bank Islami Pakistan Limited	A1	A+	PACRA	31	31
Faysal Bank Limited	A1+	AA	PACRA	94	751
Habib Bank Limited	A-1+	AAA	JCR-VIS	3,984	9,028
MCB Bank Limited	A1+	AAA	PACRA	18,946	73,103
Meezan Bank Limited	A-1+	AAA	JCR-VIS	57,501	41,505
National Bank of Pakistan	A1+	AAA	PACRA	18,694	7,759
MCB Islamic Bank Limited	A1	A	PACRA	67,646	27,854
Silkbank Limited	A-2	A-	JCR-VIS	48	48
The Bank of Punjab	A1+	AA+	PACRA	12,552	9,309
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,073	2,097
Samba Bank Limited	A-1	AA	JCR-VIS	2,359	19
The Bank of Khyber	A1	A	PACRA	1,597	-
United Bank Limited	A-1+	AAA	JCR-VIS	4,393	8,490
				307,855	247,032
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	336,969	133,866
The Bank of Khyber - term deposit receipts	A1	A	PACRA	81,197	-
MCB Bank Limited - term deposit receipt	A1+	AAA	PACRA	13,999	-
JS Bank Limited - term deposit receipt	A1+	AA-	PACRA	6,997	-
MCB - Arif Habib Savings and Investments Limited - Mutual funds	Not available	AM1	PACRA	981	-
				440,143	133,866

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 21.2.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2022 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 2022 and 30 June 2021 was determined as follows:

At 30 June 2022

	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%	338,373	-	0.00%	-	-
Up to 30 days	18.35%	415,765	76,295	0.00%	-	-
31 to 60 days	17.06%	87,232	14,878	0.00%	-	-
61 to 90 days	27.88%	69,875	19,480	0.00%	-	-
91 to 180 days	44.52%	11,429	5,088	0.00%	-	-
181 to 360 days	50.58%	538	272	0.00%	-	-
Above 360 days	100.00%	9,028	9,028	0.00%	-	-
		932,240	125,041		-	-
Trade debts which are not subject to risk of default		1,933,110	-		1,673,679	-
		2,865,350	125,041		1,673,679	-

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	-

Deposits and advances

The Company has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables from subsidiary company and others. Management has assessed that there is no impairment loss in respect of these financial assets of the Company and these are recoverable in full.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2022, the Company had Rupees 10,472 million (2021: Rupees 9,094 million) available borrowing limits from financial institutions and Rupees 309.629 million (2021: Rupees 249.886 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 2022.

	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	5,164,912	5,683,002	623,064	383,199	1,000,542	3,676,197
Trade and other payables	1,892,011	1,892,011	1,892,011	-	-	-
Accrued mark-up	108,158	108,158	108,158	-	-	-
Short term borrowings	5,234,795	5,326,561	5,108,625	217,936	-	-
Unclaimed dividend	32,634	32,634	32,634	-	-	-
	12,432,510	13,042,366	7,764,492	601,135	1,000,542	3,676,197

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	4,206,688	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	-	-	-
	11,545,286	12,009,937	7,982,472	556,801	870,407	2,600,257

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 2022. The rates of interest / mark up have been disclosed in note 5.1 and note 11 to these financial statements.

42.2 Financial instruments by categories

	2022		2021	
	FVTPL	Amortized cost	FVTPL	Amortized cost
	------- (Rupees in thousand) ------			
Financial assets				
Trade debts	-	4,413,988	-	3,266,729
Investments	981	439,162	-	133,866
Deposits	-	54,473	-	52,961
Advances	-	8,720	-	1,912
Other receivables	-	7,954	-	8,828
Cash and bank balances	-	309,629	-	249,886
	981	5,233,926	-	3,714,182

	Financial liabilities at amortized cost	
	2022	2021
	(Rupees in thousand)	
Long term financing	5,164,912	4,206,688
Trade and other payables	1,892,011	1,684,449
Accrued mark-up	108,158	65,021
Short term borrowings	5,234,795	5,558,536
Unclaimed dividend	32,634	30,592
	12,432,510	11,545,286

42.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2022			2021		
	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	4,413,988	-	4,413,988	3,266,729	-	3,266,729
Investments	440,143	11,078,733	11,518,876	133,866	11,078,733	11,212,599
Deposits and prepayments	54,473	31,506	85,979	52,961	14,599	67,560
Advances	8,720	696,527	705,247	1,912	610,291	612,203
Other receivables	7,954	990,828	998,782	8,828	1,401,478	1,410,306
Cash and bank balances	309,629	-	309,629	249,886	-	249,886
	5,234,907	12,797,594	18,032,501	3,714,182	13,105,101	16,819,283

	2022			2021		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Liabilities as per statement of financial position						
Long term financing	5,164,912	-	5,164,912	4,206,688	-	4,206,688
Trade and other payables	1,892,011	1,070,345	2,962,356	1,684,449	973,006	2,657,455
Accrued mark-up	108,158	-	108,158	65,021	-	65,021
Short term borrowings	5,234,795	-	5,234,795	5,558,536	-	5,558,536
Unclaimed dividend	32,634	-	32,634	30,592	-	30,592
	12,432,510	1,070,345	13,502,855	11,545,286	973,006	12,518,292

42.4 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.

42.5 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.

	2022	2021
	(Rupees in thousand)	
Borrowings	10,399,707	9,765,224
Total equity	24,299,688	20,157,557
Total capital employed	34,699,395	29,922,781
Gearing ratio	29.97%	32.63%

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

43. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Financial assets				
Financial assets at fair value through profit or loss	981	-	-	981

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Financial assets at fair value through profit or loss	-	-	-	-

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

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

The Company's policy is to recognise 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 equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognised and measure at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2022	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties - land & building	-	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 - land & building	-	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 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 2022, 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.

45. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2022	2021
		(Rupees in thousand)	
Loans / advances obtained as per Islamic mode:			
Contract liabilities	9	140,743	139,822
Shariah compliant bank deposits / bank balances:			
Bank balances	25	140,776	84,588
Profit earned from shariah compliant bank deposits / bank balances	31	5,075	3,847
Dividend earned from shariah compliant investments	31	22,331	-
Exchange gain earned	31	310,646	-
Revenue earned from shariah compliant business	26	39,558,284	29,955,525
Profits earned or interest paid on any conventional loan / advance:			
Interest income on loans and advances to Maple Leaf Capital Limited	31	7,088	-
Profit earned on deposits with banks	31	19,601	10,281
Return on investments	31	15,847	6,242
Interest paid on loans	32	681,246	565,409
Short term borrowing from Maple Leaf Capital Limited	32	-	2,004

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

46. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2022	2021	2022	2021
	------- (Rupees in thousand) ------			
Total facilities	3,530,754	3,649,500	20,861,000	18,918,179
Utilized at the end of the year	2,459,199	3,548,610	10,388,873	9,824,339
Unutilized at the end of the year	1,071,555	100,890	10,472,127	9,093,840

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 02 September 2022 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 02 September 2022 has proposed a final cash dividend of Rupees Nil per share (0%) amounting to Rupees Nil (2021: Rupees 299.296 million) for the year ended 30 June 2022 for approval of the members at the Annual General Meeting to be held on 27 October 2022. The financial statements for the year ended 30 June 2022 do not include the effect of the proposed final cash dividend which will be accounted for in the period ending 30 June 2023.

49. CORRESPONDING FIGURES

No significant rearrangements / reclassifications of corresponding figures have been made.

50. GENERAL

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Kohinoor Textile Mills Limited

PATTERN OF SHAREHOLDING

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	30.06.2022

2.2

No. of Shareholders	Shareholdings From		To	Total Shares Held
2,572	1	-	100	67,719
959	101	-	500	276,772
345	501	-	1,000	245,686
474	1,001	-	5,000	1,228,324
114	5,001	-	10,000	804,625
49	10,001	-	15,000	614,553
25	15,001	-	20,000	438,140
15	20,001	-	25,000	346,120
13	25,001	-	30,000	362,085
8	30,001	-	35,000	258,929
10	35,001	-	40,000	385,611
7	40,001	-	45,000	297,476
7	45,001	-	50,000	333,414
4	50,001	-	55,000	202,398
5	55,001	-	60,000	291,167
7	60,001	-	65,000	439,650
3	65,001	-	70,000	202,917
4	70,001	-	75,000	288,723
1	75,001	-	80,000	77,000
2	80,001	-	85,000	162,965
1	85,001	-	90,000	87,800
2	90,001	-	95,000	181,941
4	95,001	-	100,000	399,227
1	100,001	-	105,000	101,586
1	105,001	-	110,000	106,000
2	120,001	-	125,000	242,446
2	130,001	-	135,000	267,000
2	135,001	-	140,000	275,500
2	145,001	-	150,000	294,851
2	150,001	-	155,000	305,100
2	160,001	-	165,000	326,269
1	165,001	-	170,000	169,850
1	170,001	-	175,000	175,000
1	190,001	-	195,000	193,135
1	195,001	-	200,000	200,000
1	200,001	-	205,000	200,970
1	220,001	-	225,000	220,846
2	245,001	-	250,000	496,065
1	250,001	-	255,000	254,500
2	255,001	-	260,000	515,000
1	260,001	-	265,000	260,500
1	275,001	-	280,000	279,000
1	280,001	-	285,000	284,964
2	295,001	-	300,000	598,000

2.2

No. of Shareholders	Shareholdings From		To	Total Shares Held
1	305,001	-	310,000	306,500
2	315,001	-	320,000	636,743
1	320,001	-	325,000	321,500
1	330,001	-	335,000	330,500
1	335,001	-	340,000	337,673
1	365,001	-	370,000	367,974
1	385,001	-	390,000	385,016
1	470,001	-	475,000	470,500
1	475,001	-	480,000	479,150
1	495,001	-	500,000	496,500
1	535,001	-	540,000	537,000
1	560,001	-	565,000	564,500
1	585,001	-	590,000	588,500
1	595,001	-	600,000	599,163
1	615,001	-	620,000	617,000
1	625,001	-	630,000	629,500
1	705,001	-	710,000	705,540
1	765,001	-	770,000	766,749
1	790,001	-	795,000	794,000
2	795,001	-	800,000	1,596,378
1	850,001	-	855,000	852,800
1	880,001	-	885,000	884,500
1	1,055,001	-	1,060,000	1,059,125
1	1,065,001	-	1,070,000	1,069,165
1	1,440,001	-	1,445,000	1,444,718
1	1,695,001	-	1,700,000	1,698,500
1	1,915,001	-	1,920,000	1,917,710
1	2,310,001	-	2,315,000	2,314,501
1	2,750,001	-	2,755,000	2,754,759
1	2,965,001	-	2,970,000	2,965,621
1	3,270,001	-	3,275,000	3,270,621
1	4,480,001	-	4,485,000	4,481,497
1	7,290,001	-	7,295,000	7,293,169
1	11,190,001	-	11,195,000	11,192,490
1	12,685,001	-	12,690,000	12,688,822
1	13,300,001	-	13,305,000	13,302,658
1	31,535,001	-	31,540,000	31,539,643
1	44,625,001	-	44,630,000	44,628,059
1	55,255,001	-	55,260,000	55,256,992
1	73,390,001	-	73,395,000	73,390,896
4,703				**299,296,456**

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

2.3	Categories of Shareholders	Shares Held	Percentage
2.3.1	Directors, Chief Executive Officer and their spouses and minor children.		
	Mr. Tariq Sayeed Saigol, Chairman	12,688,822	4.240
	Mr. Taufique Sayeed Saigol, Chief Executive Officer	44,628,059	14.911
	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	31,539,643	10.538
		89,286,603	29.833
2.3.2	Associated Companies, undertakings and related parties.		
	Mercury Management Inc.	73,390,896	24.521
	Hutton Properties Limited	55,256,992	18.462
		128,647,888	42.983
2.3.3	NIT and IDBP		
	National Bank of Pakistan, Trustee Deptt.	10,583	0.004
	Industrial Development Bank of Pakistan (IDBP)	13,914	0.005
		24,497	0.009
2.3.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions.	3,139,647	1.049
2.3.5	Insurance Companies	675,250	0.226
2.3.6	Modarabas and Mutual Funds	35,257,419	11.780
2.3.7	Shareholders holding 10% refer to 2.3.1 & 2.3.2		
2.3.8	General Public		
	a) Local	38,969,084	13.020
	b) Foreign	841,678	0.280
2.3.9	Others		
	Abbott Laboratories (Pakistan) Limited Staff Pension Fund	82,000	
	Abbott Laboratories (Pakistan) Limited Staff Provident Fund	16,500	
	AGP Limited Staff Provident Fund	26,500	
	Agriauto Industries Limited Employees Provident Fund	8,000	
	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	3,000	
	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	496,500	
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	255,500	
	CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	151,300	
	CDC-Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	200,970	
	Chevron Pakistan Lubricants (Pvt.) Ltd. EPF	15,500	
	Engro Fertilizers Limited Non-MPT Employees Gratuity Fund	9,500	
	Essity Pakistan Limited Employees Gratuity Fund	2,500	

2.3	Categories of Shareholders	Shares Held	Percentage

2.3.9 Others

Essity Pakistan Limited Employees Provident Fund	3,000	
Federal Board of Revenue	161,269	
Fikree Development Corp. (Pvt.) Limited	50	
Hussain Trustees Limited.	297	
I2C Pakistan (Private) Limited Employees Provident Fund trust	3,500	
Novartis Pharma Pakistan Limited Senior Provident Fund	12,000	
Official Assignee of Karachi	1,297	
Pakistan Human Development Fund	50,500	
Pakistan Petroleum Executive Staff Pension Fund-DC Shariah	7,000	
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	398	
The Ida Rieu Poor Welfare Association	7	
The Okhai Memon Madressah Association	1	
Trustee ABL Asset Management Co Ltd-Staff Provident Fund	9,000	
Trustee National Bank of Pakistan Emp Benevolent Fund Trust	11,848	
Trustee National Bank of Pakistan Employees Pension Fund	337,673	
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	3,500	
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	5,000	
Trustee Pakistan Petroleum Executive Staff Pension Fund	30,000	
Trustee Pakistan Petroleum Junior Provident Fund	7,500	
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	6,500	
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	16,500	
Trustee Pakistan Petroleum Senior Provident Fund	15,500	
Trustee-ANPL Management Staff Gratuity Fund	7,500	
Trustee-ANPL Management Staff Pension Fund	7,000	
Trustee-ANPL Management Staff Provident Fund	5,000	
Trustees Moosa Lawai Foundation	4,285	
Trustees Nestle Pakistan Limited Employees Pension Fund	25,000	
Trustees Nestle Pakistan Ltd Employees Gratuity Fund	18,400	
Trustees of Pakistan Human Development Fund	12,500	
Trustees of UBL Fund Mngrs Ltd and Associated Coys E.G.Fund	3,000	
Trustees of UBL Fund Mngrs Ltd And Associated Coys E.P.Fund	500	
Trustees The General Tyre & Rubber Co of Pakistan Ltd EMPL G.F	5,500	
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	
	2,454,390	0.820
Grand Total	**299,296,456**	**100.000**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

WWW.KMLG.COM/KTML

DIRECTORS' 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 2022.

GROUP RESULTS

The Group has earned gross profit of Rupees 24,128 million as compared to Rupees 15,453 million of corresponding year. The Group has earned pre-tax profit of Rupees 10,346 million this year as compared to Rupees 13,694 million during the previous year. The overall Group financial results are as follows:

	2022	2021
	(Rupees in million)	
Revenue	87,977	65,451
Gross profit	24,128	15,453
Profit from operations	12,979	15,757
Financial charges	2,634	2,062
Net profit after taxation	5,330	11,054
	---------- (Rupees) ----------	
Earnings per share - Basic and diluted	12.93	28.26

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 36.53% in its sales over previous year and has earned gross profit of 25.30% (30 June 2021: 20.83%) amounting to Rupees 12,275 million (30 June 2021: Rupees 7,403 million).

It has earned after tax profit of Rupees 3,626 million (30 June 2021: Rupees 6,254 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 916 million (30 June 2021: Rupees 1,153 million).

Maple Leaf Capital Limited (MLCL)

MLCL has incurred / earned after tax (loss) / profit of Rupees (4,718) million (30 June 2021: Rupees 4,119 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

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 2022, 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 2022, 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.

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 2022 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 26 and Stock-in-trade note 27 to the consolidated financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice; • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory; • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; and • We also made enquiries 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 Group is investing significant amounts in its operations and expansion of manufacturing facilities. 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 Group's strategy. We focused on this area since the amounts have a signif¬icant 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 20 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 capi¬tal 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; • We assessed the adequacy of presentation and disclosures as required under the accounting and reporting standards as applicable in Pakistan; and • We assessed whether the accounting policies for recording of transactions as a part of capital work in progress complies with the requirements of accounting and reporting standards as applicable in Pakistan.
3	**Revenue recognition** The Group recognized net revenue of Rupees 87,976.565 million for the year ended 30 June 2022. 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 manual general entries relating to revenue recognized during the year which were considered to be material or met other specific risk-based criteria with the underlying documents; and • We also considered the appropriateness of disclosures in the consolidated financial statements.

4.	Investments in quoted securities	
	Quoted investments of the investment business of the Group as at 30 June 2022 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 consolidated statement of profit or loss. For further information, refer to the following: - Summary of significant accounting policies, note 2.12 to the financial statements. - Short term investments note 32 to the consolidated financial statements and long term investment note 24 to the consolidated financial statements.	Our procedures over the existence, completeness and valuation of the Company's portfolio of quoted investments included, but were limited to: • Documenting and assessing the processes and controls in place to record investment transactions and to value the portfolio; • Agreeing the valuation of all of quoted investments from prices quoted on the Pakistan Stock Exchange Limited and redemption price in case of open-end mutual funds; • Agreeing holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and Statement of Account, in case of open-end mutual funds; • Verifying the accuracy of management's judgement used in classification of investments; and • Assuring the completeness and accuracy of gains / (losses) recognized in the consolidated statement of profit or loss of quoted investments.

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 mattershould 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 & COMPANY
Chartered Accountants

ISLAMABAD

Date: September 12, 2022

UDIN: AR202210187QvO3m8ces

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022	2021
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
370,000,000 (2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2021: 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	4,070,446
Fair value reserve		2,978	-
		5,059,501	5,056,523
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		29,263,044	26,092,086
		30,713,535	27,542,577
		35,773,036	32,599,100
Equity attributable to equity holders of the Holding Company		38,766,000	35,592,064
Non-controlling interest	5	18,114,640	17,048,451
Total equity		56,880,640	52,640,515
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	21,051,422	14,810,720
Deferred government grants	7	804,158	73,859
Gas Infrastructure Development Cess (GIDC) payable	8	-	57,184
Long term liability against right of use assets	9	27,136	-
Long term deposits	10	8,214	8,214
Retirement benefits	11	235,329	228,266
Retention money payable	12	-	391,694
Deferred income tax liability	13	5,372,229	3,949,204
		27,498,488	19,519,141
CURRENT LIABILITIES			
Trade and other payables	14	12,367,040	10,246,551
Accrued mark-up	15	764,694	338,631
Short term borrowings	16	9,793,373	9,080,276
Current portion of non-current liabilities	17	4,302,719	3,335,310
Unclaimed dividend		60,203	58,726
Taxation - net	18	328,266	-
		27,616,295	23,059,494
TOTAL LIABILITIES		55,114,783	42,578,635
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		111,995,423	95,219,150

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

	Note	2022	2021
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	71,468,745	56,012,067
Investment properties	21	1,824,360	1,824,360
Intangibles	22	10,415	6,018
Long term loans to employees	23	19,366	17,004
Long term investments	24	350,763	157,410
Long term deposits	25	112,073	110,263
		73,785,722	58,127,122
CURRENT ASSETS			
Stores, spare parts and loose tools	26	14,311,149	10,859,200
Stock-in-trade	27	8,609,732	6,058,721
Trade debts	28	6,480,200	4,947,118
Loans and advances	29	1,311,235	1,104,374
Security deposits and short term prepayments	30	592,411	257,235
Other receivables	31	1,063,074	1,590,218
Taxation - net	18	-	1,364,178
Short term investments	32	4,680,242	10,066,945
Cash and bank balances	33	1,161,658	844,039
		38,209,701	37,092,028
TOTAL ASSETS		111,995,423	95,219,150

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees in thousand)	
REVENUE	34	87,976,565	65,450,738
COST OF SALES	35	(63,848,277)	(49,997,540)
GROSS PROFIT		24,128,288	15,453,198
DISTRIBUTION COST	36	(3,078,554)	(2,334,122)
ADMINISTRATIVE EXPENSES	37	(2,143,948)	(1,598,165)
OTHER EXPENSES	38	(6,258,269)	(941,730)
		(11,480,771)	(4,874,017)
		12,647,517	10,579,181
OTHER INCOME	39	331,657	5,177,788
PROFIT FROM OPERATIONS		12,979,174	15,756,969
FINANCE COST	40	(2,633,513)	(2,062,473)
PROFIT BEFORE TAXATION		10,345,661	13,694,496
TAXATION	41	(5,015,275)	(2,640,861)
PROFIT AFTER TAXATION		5,330,386	11,053,635
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		3,870,593	8,459,564
NON-CONTROLLING INTEREST		1,459,793	2,594,071
		5,330,386	11,053,635

	Note	2022	2021
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	42	12.93	28.26

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 2022

	2022	2021
	(Rupees in thousand)	
PROFIT AFTER TAXATION	5,330,386	11,053,635
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit liability	1,726	(27,456)
Related deferred income tax	(557)	7,832
	1,169	(19,624)
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	3,591	-
Surplus on revaluation of freehold land	-	28,730
	4,760	9,106
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	4,760	9,106
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,335,146	11,062,741
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	3,874,227	8,477,281
NON-CONTROLLING INTEREST	1,460,919	2,585,460
	5,335,146	11,062,741

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 2022

	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	Fair value reserve	Sub - total	General reserves	Unappropriated profit	Sub-total	Total reserves	Total	Non-controlling interest	Total equity
	(Rupees in thousand)											
Balance as at 01 July 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
Transactions with owners:												
- Transaction with non-controlling interests	-	-	-	-	-	-	(101,699)	(101,699)	(101,699)	(101,699)	(394,730)	(496,429)
- Final dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2022 @ Rupee 1.00 per share	-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
	-	-	-	-	-	-	(700,291)	(700,291)	(700,291)	(700,291)	(394,730)	(1,095,021)
Profit for the year	-	-	-	-	-	-	3,870,593	3,870,593	3,870,593	3,870,593	1,459,793	5,330,386
Other comprehensive income for the year	-	-	-	2,978	2,978	-	656	656	3,634	3,634	1,126	4,760
Total comprehensive income for the year	-	-	-	2,978	2,978	-	3,871,249	3,871,249	3,874,227	3,874,227	1,460,919	5,335,146
Balance as at 30 June 2022	2,992,964	986,077	4,070,446	2,978	5,059,501	1,450,491	29,263,044	30,713,535	35,773,036	38,766,000	18,114,640	56,880,640

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 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	17,141,001	12,521,742
Finance cost paid		(2,155,585)	(2,407,159)
Employee benefits paid		(43,319)	(56,198)
Income tax paid		(1,900,876)	(1,931,266)
Worker's welfare fund paid		(52,925)	(17,351)
Workers' profits participation fund paid		(644,319)	(195,101)
Gas Infrastructure Development Cess (GIDC) paid		(32,187)	(64,864)
Net (increase) / decrease in long term loans to employees		(2,362)	2,192
Net increase in long term deposits		(1,810)	(1,335)
Net cash generated from operating activities		12,307,618	7,850,660
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(19,062,823)	(4,924,252)
Intangible assets acquired		(6,786)	-
Long term investments made		(192,499)	(115,410)
Proceeds from disposal of long term investments		3,250	-
Proceeds from sale of property, plant and equipment		101,576	159,959
(Decrease) / increase in retention money payable		(391,694)	25,625
Interest received		70,636	40,000
Dividend received		41,453	175,677
Net cash used in investing activities		(19,436,887)	(4,638,401)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction with non-controlling interests		(477,778)	(420,456)
Proceeds from long term financing		11,935,164	2,829,207
Repayment of long term financing		(4,114,055)	(419,316)
Lease rentals paid during the year		(12,425)	-
Short term borrowings - net		713,097	(5,135,450)
Dividend paid		(597,115)	(617,688)
Net cash from / (used in) financing activities		7,446,888	(3,763,703)
Net increase / (decrease) in cash and cash equivalents		317,619	(551,444)
Cash and cash equivalents at the beginning of the year		844,039	1,395,483
Cash and cash equivalents at the end of the year		1,161,658	844,039

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 2022

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.

The Subsidiary Company 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.

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 2021:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021;

- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

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 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 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 2022 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.

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.

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.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 2022 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore, not detailed in these consolidated financial statements.

2.2 Basis of consolidation

Subsidiaries are all entities (Including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Subsidies are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Subsidiary Company has been consolidated on a line-by-line basis and the carrying values of investment held by the Holding Company has eliminated against the shareholders' equity in the Subsidiary Company are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

Non-controlling interest is that part of net results of the operations and of net assets of the Subsidiaries which are not owned by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statement.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amount previously recognized in consolidated statement of other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or as an available for sale financial asset depending on level of influence retained.

Intra-group balances and transactions have been eliminated.

2.3 Employee benefit

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 operates approved funded gratuity scheme for all its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to consolidated statement of profit or loss.

Net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in consolidated statement of comprehensive income. Net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit or loss. Gains and losses on the settlement of a defined benefit plan are recognized when the settlement occurs.

iii) Liability for employee's 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 2022. 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 20.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed of. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.9 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 consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.12 Investments 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 FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.15 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 2022.

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 instruments that are held by the Group primarily comprise of future contracts in the capital market and commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the relevant exchange of the future contracts. Derivatives with the positive market values (unrealized gains) are included in assets and derivatives with the negative market value (unrealized losses) are included in liabilities in the consolidated statement of financial position. The resultant gains / (losses) are included in consolidated statement of profit or loss.

2.28 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

2022	2021		2022	2021
(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	2022	2021
		(Rupees in thousand)	
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:	4.2		
- Freehold land			
As at 01 July		2,806,854	2,778,124
Fair value adjustment	20.1	-	28,730
As at 30 June		2,806,854	2,806,854
Investment properties		1,263,592	1,263,592
		4,070,446	4,070,446
Fair value reserve	4.3	2,978	-
		5,059,501	5,056,523
Revenue reserves			
General reserve	4.4	1,450,491	1,450,491
Unappropriated profit		29,263,044	26,092,086
		30,713,535	27,542,577
		35,773,036	32,599,100

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

4.2 It represents net accumulative increase in the carrying amount as a result of revaluation of freehold land and investment properties upto the date of classification as investment properties carried at revalued amount. This surplus on revaluation of freehold land and investment properties is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

4.3 This represents the unrealized gain on re-measurement of investment at fair value through other comprehensive income of Subsidiary Company, MLCL and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	2022	2021
	(Rupees in thousand)	
Balance at the beginning of the year	-	-
Fair value adjustment during the year	4,104	-
	4,104	-
Less: Deferred income tax liability	(513)	-
Balance at the end of the year	3,591	-
Less: Share of non-controlling interests	(613)	-
	2,978	-

4.4 This represents reserve created out of profits for general purposes.

	Note	2022	2021
		(Rupees in thousand)	
5. NON-CONTROLLING INTEREST			
Opening balance		17,048,451	14,756,901
Add / (less): Share during the year:			
Transaction with non-controlling interests		(394,730)	(293,910)
Profit for the year		1,459,793	2,594,071
Other comprehensive income / (loss) for the year		1,126	(8,611)
		1,066,189	2,291,550
		18,114,640	17,048,451
6. LONG TERM FINANCING			
From banking companies and other financial institution - secured			
Holding Company	6.1	5,164,912	4,206,688
Subsidiary Company - MLCFL	6.2	19,367,668	13,341,361
		24,532,580	17,548,049
Less: Current portion shown under current liabilities	17	(3,481,158)	(2,737,329)
		21,051,422	14,810,720

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
6.1 Holding Company							
The Bank of Punjab	18,263	128,087	600,000	SBP LTFF rate + 2.50%	Sixteen equal quarterly installments commenced from 09 September 2016 and ending on 07 November 2022.	Quarterly	joint pari passu charge amounting to Rupees 3,200 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	335,002	384,684	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	
	424,764	465,504	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	400,000	129,600	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	364,439	-	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 21 January 2023 and ending on 22 June 2029.	Quarterly	
	1,542,468	1,107,875	2,400,000				
MCB Bank Limited	123,825	26,032	125,000	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commencing from 12 November 2023 and ending on 12 August 2031.	Quarterly	First joint pari passu charge amounting to Rupees 180 million (inclusive of 25% margin) over plant and machinery of the Company.
MCB Bank Limited (Note 6.3.1)	466,488	418,522	500,000	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commencing from 25 May 2023 and ending on 04 June 2031.	Quarterly	joint pari passu charge amounting to Rupees 666.667 million on fixed assets (plant and machinery) of the Company located anywhere in Pakistan.
National Bank of Pakistan	395,274	474,449	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	joint pari passu charge amounting to Rupees 2,481.333 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
	166,455	202,710	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 07 June 2027.	Half yearly	
	136,762	89,362	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commencing from 03 March 2023 and ending on 03 March 2028.	Half yearly	
	500,000	18,107	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commencing from 10 September 2022 and ending on 23 April 2029.	Half yearly	
	257,591	340,371	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	1,456,082	1,124,999	1,861,000				
PAIR Investment Company Limited	132,011	180,484	180,500	SBP LTFF rate + 1%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	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.
	118,170	54,033	119,500	SBP LTFF rate + 1.5%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	250,181	234,517	300,000				

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
United Bank Limited	68,894	-	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commencing from 01 April 2024 and ending on 01 July 2029.	Quarterly	First joint pari passu charge amounting to Rupees 667 million (inclusive of 25% margin) on all the fixed assets (excluding land and building) of the Company.
Askari Bank Limited	141,180	172,558	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 amounting to Rupees 467 million (inclusive of 25% margin) over land, building, plant and machinery of Raiwind Division.
Allied Bank Limited	464,293	410,790	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	joint pari passu charge amounting to Rupees 3,066.667 million (inclusive of 25% margin) over plant and machinery of the Company and personal guarantees of the sponsor directors.
Allied Bank Limited	385,025	-	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 24 January 2023 and ending on 20 June 2029.	Quarterly	
Allied Bank Limited (Note 6.4)	266,476	711,395	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 30 December 2022.	Quarterly	
	1,115,794	1,122,185	2,300,000				
Total	5,164,912	4,206,688	8,336,000				

6.2 Subsidiary Company (MLCFL)

Askari Bank Limited - Term Finance	636,416	707,129	707,130	3-Month KIBOR + 75 bps 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.	18 equal quarterly installments starting from 28 Sep 2022	Quarterly	1st joint pari passu charge of Rupees 1,333.33 million over fixed assets of the MLCFL inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 Kanals adjacent to it.
The Bank of Punjab - Demand Finance	1,190,463	1,253,119	1,253,119	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	19 equal quarterly installments starting from 27 Aug 2022	Quarterly	Ist joint pari passu charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
MCB Bank Limited - Demand Finance	889,149	1,367,920	1,451,920	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be reset on 1st working day of each quarter.	13 equal quarterly installments starting from 22 Mar 2024	Quarterly	Ist joint pari passu charge of Rupees 38,051 million (MCB share Rupees 4,500 million) over all present and future fixed assets of the MLCFL.
National Bank of Pakistan - Demand Finance	2,565,714	2,994,285	5,500,000	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	18 equal quarterly installments starting from 01 July 2022	Quarterly	1st joint pari passu charge of Rupees 10,000 million over fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
Samba Bank Limited - Term Finance	412,500	450,000	450,000	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	11 equal quarterly installments starting from 01 July 2022	Quarterly	Joint pari passu charge of Rupees 600 million on all present and future fixed assets of the MLCFL including land.

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
MCB Bank Limited (EX NIB) - Term Finance	962,878	1,488,379	1,488,379	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be reset on the first working day of every calendar quarter.	First installment of Rupees 41.5 million is due on 04 Feb 2024 and afterwards payable in 13 equal quarterly installments starting from 4 May 2024.	Quarterly	Ist joint pari passu charge of Rupees 38,051 million (MCB share Rupees 4,500 million) over all present and future fixed assets of the MLCFL.
MCB Islamic Bank Limited - Diminishing Musharikah	1,045,285	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 each calendar quarter.	"Repayment will be made in following tranches. Tranch 1 16 equal quarterly installments starting from 23 August 2022. Tranch 2 16 equal quarterly installments starting from 28 August 2022. Tranch 3 16 equal quarterly installments starting from 27 September 2022. Tranch 4 16 equal quarterly installments starting from 13 December 2022. Tranch 5 17 equal quarterly installments starting from 16 September 2022. Tranch 6 18 equal quarterly installments starting from 27 September 2022. "	Quarterly	1st joint pari passu charge of Rupees 2,000 million over all present and future fixed assets of the MLCFL including land and building and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
Habib Bank Limited - Term Finance	-	714,286	1,000,000	3-Month KIBOR + 75 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.	This loan has been fully repaid during the year.	Quarterly	No security as the loan has been fully repaid during the year.
Askari Bank Limited - Term Finance	75,000	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.	3 equal quarterly installments starting from 04 September 2022	Quarterly	"1st joint pari passu charge of Rupees 667 million over fixed assets of the MLCFL inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 Kanals adjacent to it. - Personal Guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel)."
The Bank of Punjab - Demand Finance	299,471	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.	4 equal quarterly installments starting from 06 July 2022	Quarterly	1st joint pari passu charge of Rupees 7,903 million, with 25% margin, over all present and future fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
MCB Bank Limited - Demand Finance	-	37,029	185,145	3-Month KIBOR + 115 bps p.a. payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	This loan has been fully repaid during the year.	Quarterly	No security as the loan has been fully repaid during the year.

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
National Bank of Pakistan - Demand Finance	200,000	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 to be reset on the first working day of each calendar quarter.	4 equal quarterly installments starting form 06 July 2022	Quarterly	1st joint pari passu charge of Rupees 10,000 million over fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
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	1st joint pari passu charge of Rupees 666.67 million over all present and future fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
Pair Investment Group Limited - Term Finance	75,000	150,000	300,000	3 months 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.	4 equal quarterly installments starting from 28 September 2022	Quarterly	1st joint pari passu charge over present and future fixed assets of the MLCFL with 25% margin.
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 the last working day of preceding calendar quarter.	This loan is converted into TERF during the period as mentioned below.	Quarterly	As mentioned below.
Askari Bank Limited - TERF (Note 6.3.1)	532,188	522,951	756,000	SBP Rate + 200 bps p.a. payable quarterly in arrears.	20 equal quarterly installments commenced from 17 November 2021	Quarterly	Ranking hypothecation charge of Rupees 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of the MLCFL (to be upgraded to 1st joint pari passu charge). 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 the MLCFL with 25% margin over fixed assets of the MLCFL as below: - Hypothecation charge over all present and future plant and machinery of the MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 Kanals adjacent to it.
Allied Bank Limited- SBP refinance for Wages and Salaries (Note 6.4)	210,204	609,385	933,000	SBP rate plus 50bps to 100bps p.a. payable quarterly.	8 equal quarterly installments commenced from 31 January 2021	Quarterly	1st joint pari passu charge over all fixed assets of the MLCFL with 25% margin.
The Bank of Punjab - Demand Finance	297,192	161,102	600,000	3-Month KIBOR + 75 bps p.a. payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	22 equal quarterly installments starting from 14 Sep 2022	Quarterly	Ist joint pari passu charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
National Bank of Pakistan - Demand Finance	360,751	198,302	1,220,497	3-Month KIBOR + 125 bps p.a. payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	32 equal quarterly installments starting form 18 September 2023	Quarterly	1st joint pari passu charge of Rupees 10,000 million over fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
National Bank of Pakistan - TERF (Note 6.3.1)	1,060,934	-	1,779,503	SBP rate + 150 bps p.a. payable quarterly in arrears.	32 equal quarterly installments starting form 18 September 2023	Quarterly	1st joint pari passu charge of Rupees 10,000 million over fixed assets of the MLCFL and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
The Bank of Punjab - Demand Finance	1,965,331	182,555	2,500,000	3-Month Kibor + 90 bps p.a. payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	32 equal quarterly installments starting from 19 September 2023	Quarterly	Cushion available against existing registered 1st joint pari passu charge of Rupees 7,903 million, over fixed assets of the MLCFL inclusive of 25% margin and initial ranking charge of Rupees 3,236.1 million with 25% margin, over all present and future fixed assets of the MLCFL (upgraded to First joint pari passu charge).
The Bank of Punjab - TERF (Note 6.3.1)	358,712	-	500,000	SBP Rate + 150 bps p.a payable quarterly in arrears.	32 equal quarterly installments starting from 19 September 2023	Quarterly	"1st joint pari passu Charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL, with 25% margin. "
MCB Bank Limited - LTFF	805,806	-	805,806	SBP LTFF Rate + 150 bps p.a. payable quarterly in arrears.	32 equal quarterly installments starting from 18 September 2023	Quarterly	1st joint pari passu charge of Rupees 38,051 million (MCB share Rupees 4,500 million) over all present and future fixed assets of the MLCFL.
MCB Bank Limited - Demand Finance	439,276	136,931	1,194,194	3-Month Kibor + 75 bps p.a. payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	32 equal quarterly installments starting from 18 September 2023	Quarterly	1st joint pari passu charge of Rupees 38,051 million (MCB share Rupees 4,500 million) over all present and future fixed assets of the MLCFL.
Habib Bank Limited - LTFF	560,705	249,851	560,703	SBP + 150 bps p.a. payable quarterly in arrears.	20 equal quarterly installments starting from 25 September 2023	Quarterly	1st joint pari passu charge of Rupees 4,000 million over all present and future fixed assets of the MLCFL including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
Habib Bank Limited - Term Finance	1,437,412	-	2,439,295	3-Month Kibor + 150 bps p.a. payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	20 equal quarterly installments starting from 25 September 2023	Quarterly	1st joint pari passu charge of Rupees 4,000 million over all present and future fixed assets of the MLCFL including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
Allied Bank Limited -Term Finance	118,969	-	518,575	3-Month Kibor + 100 bps p.a. payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	24 equal quarterly installments starting from 23 November 2022	Quarterly	joint pari passu charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the MLCFL.
Allied Bank Limited - LTFF	121,425	-	121,425	SBP + 100 bps p.a. payable quarterly in arrears.	24 equal quarterly installments starting from 23 November 2022	Quarterly	joint pari passu charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the MLCFL.
Faysal Bank Limited - Diminishing Musharakah	986,594	-	2,000,000	3-Month Kibor + 150 bps p.a. payable quarterly in arrears.	24 equal quarterly installments starting from 30 November 2022	Quarterly	joint pari passu charge over all present & future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Saeed Saigol and Mr. Saeed Tariq Saigol (sponsoring directors and key management personnel).

LENDER	2022	2021	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
MCB Islamic Bank Limited - Diminishing Musharakah (Note 6.3.1)	295,879	-	350,000	SBP Rate + 150 bps p.a. payable quarterly in arrears.	"Repayment will be made in following tranches. Tranch 1 12 equal quarterly installments starting from 01 January 2023. Tranch 2 11 equal quarterly installments starting from 31 March 2023. Tranch 3 12 equal quarterly installments starting from 26 July 2023."	Quarterly	joint pari passu charge over fixed assets of MLCFL including land, building and plant and machinery with 25% margin.
MCB Bank Limited - Demand Finance	480,816	-	500,000	3-Month KIBOR + 75 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.	24 equal quarterly installments starting from 28 May 2023	Quarterly	Ranking charge of Rupees 667 million over present and future fixed assets of the MLCFL, inclusive of 25% margin.
Askari Bank Limited - Term Finance	816,931	-	1,000,000	3-Month KIBOR + 75 bps p.a. payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	32 equal quarterly installments starting from 09 June 2024	Quarterly	1st joint pari passu charge of Rupees 1,333.33 million over fixed assets of the MLCFL inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 Kanals adjacent to it.
	19,367,668	13,341,361	34,514,030				

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

	MLCFL		KTML		Total	
	2022	2021	2022	2021	2022	2021
	----------------(Rupees in thousand)----------------					
Balance at beginning of the year	522,951	-	418,522	-	941,473	-
Disbursements during the year	2,727,467	591,957	46,477	441,534	2,773,944	1,033,491
Repayments during the year	(103,488)	-	-	-	(103,488)	-
	3,146,930	591,957	464,999	441,534	3,611,929	1,033,491
Discounting adjustments for recognition at fair value - deferred government grant	(948,903)	(73,786)	(2,481)	(23,575)	(951,384)	(97,361)
Unwinding of discount on liability	49,686	4,780	3,970	563	53,656	5,343
Balance as at end of the year	2,247,713	522,951	466,488	418,522	2,714,201	941,473

6.3.1 The Bank wise break-up of financing obtained under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" is as follows:

	MLCFL		KTML		Total	
	2022	2021	2022	2021	2022	2021
	----------------(Rupees in thousand)----------------					
Askari Bank Limited	532,188	522,951	-	-	532,188	522,951
MCB Bank Limited	-	-	466,488	418,522	466,488	418,522
MCB Islamic Bank Limited	295,879	-	-	-	295,879	-
National Bank of Pakistan	1,060,934	-	-	-	1,060,934	-
The Bank of Punjab	358,712	-	-	-	358,712	-
	2,247,713	522,951	466,488	418,522	2,714,201	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	
	2022	2021	2022	2021	2022	2021
	----------------(Rupees in thousand)----------------					
Balance at beginning of the year	609,385	433,179	711,395	342,905	1,320,780	776,084
Disbursements during the year	213,315	420,081	-	657,095	213,315	1,077,176
Repayments during the year	(639,945)	(213,315)	(478,620)	(250,000)	(1,118,565)	(463,315)
	182,755	639,945	232,775	750,000	415,530	1,389,945
Discounting adjustments for recognition at fair value - deferred government grant	(1,564)	(68,306)	-	(83,972)	(1,564)	(152,278)
Unwinding of discount on liability	29,013	37,746	33,701	45,367	62,714	83,113
Balance as at end of the year	210,204	609,385	266,476	711,395	476,680	1,320,780

	Note	2022	2021
		(Rupees in thousand)	
7. DEFERRED GOVERNMENT GRANTS			
Balance at the beginning of the year	7.1	161,183	-
Government grant recognised during the year		952,948	249,639
Less: Amortisation of deferred government grant during the year		(116,370)	(88,456)
		997,761	161,183
Less: Current portion of deferred government grant	17	(193,603)	(87,324)
		804,158	73,859

7.1 These 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	2022	2021
		(Rupees in thousand)	
8. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE			
Balance at the beginning of the year		567,841	649,333
Add: Adjustment during the year		69,231	-
Add: Unwinding of discount on GIDC payable	40	21,660	33,968
Less: Gain on remeasurement of GIDC	39	(5,424)	(50,596)
Less: Payments made during the year		(32,187)	(64,864)
		621,121	567,841
Less: Current portion of GIDC payable	17	(621,121)	(510,657)
	8.1	-	57,184

8.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Group has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication. The Group is to pay the balance amount of GIDC in 24 equal monthly installments. However, GIDC payable has been recorded at amortized cost in accordance with IFRS 9.

	Note	2022	2021
		(Rupees in thousand)	

9. LONG TERM LIABILITY AGAINST RIGHT OF USE ASSETS SUBSIDIARY COMPANY - MLCFL

	Note	2022	2021
Liability against right of use assets	9.1	33,973	-
Current portion of liability against right of use assets		(6,837)	-
		27,136	-

9.1 Maturity analysis of liability against right of use asset is as follows:

	2022	2021
Less than one year	9,138	-
One to five years	19,715	-
More than five years	31,924	-
Total undiscounted liability against right of use asset as at 30 June 2022	60,777	-
Impact of discounting on liability against right of use asset	(26,804)	
	33,973	-

10. 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.

11. RETIREMENT BENEFITS Subsidiary Company - MLCFL

	Note	2022	2021
		(Rupees in thousand)	
Accumulated compensated absences	11.1	165,416	137,775
Gratuity	11.2	69,913	90,491
		235,329	228,266

11.1 Accumulated compensated absences

The actuarial valuation of the MLCFL's accumulated compensated absences was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

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

	2022	2021
	(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year	137,775	126,963
Current service cost	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
Less: Benefits paid during the year	(15,742)	(19,648)
	165,416	137,775

	2022	2021
	(Rupees in thousand)	
11.1.2 Charge for the year		
Consolidated statement of profit or loss:		
Current service cost for the year	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
	43,383	30,460

11.1.3 Sensitivity analysis

If the significant actuarial assumptions used to estimate the liability of compensated absences at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2022 would have been as follows:

	Compensated absences Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	149,765	183,824
Future salary increase + 100 bps	183,530	149,771

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

11.1.4 At 30 June 2022, the average duration of the defined benefit obligation was 10 years.

	2022	2021
	(Percentage)	
11.1.5 Actuarial assumptions		
The following are the principal actuarial assumptions as at 30 June 2022:		
Discount rate used for interest cost	10.00%	8.50%
Discount rate used for year end obligations	13.25%	10.00%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	

11.2 Gratuity

The latest actuarial valuation of the Subsidiary Company's (MLCFL) defined benefit plan, was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2022	2021
		(Rupees in thousand)	
The amounts recognized in the consolidated statement of financial position are as follows:			
Present value of defined benefit obligation	11.2.1	153,729	168,575
Less: Fair value of plan assets	11.2.2	(83,816)	(78,084)
Net liability at end of the year		69,913	90,491
Net liability at beginning of the year		90,491	87,989
Charge to consolidated statement of profit or loss for the year	11.2.3	13,957	11,596
Charge to consolidated statement of comprehensive income for the year	11.2.3	(1,726)	27,456
Contributions made during the year		(27,577)	(36,550)
Gratuity due but not paid		(5,232)	-
Net liability at end of the year		69,913	90,491

11.2.1 Movement in the present value of defined benefit obligation is as follows:

	2022	2021
Present value of defined benefit obligations at Beginning of the year	168,575	156,026
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Benefits due but not paid	(5,232)	-
Adjustment	-	2,126
Actuarial (gain) / losses on present value of defined benefit obligations	(3,802)	29,414
Benefits paid during the year	(27,577)	(36,551)
Present value of defined benefit obligation at end of the year	153,729	168,575

11.2.2 Movement in the fair value of plan assets is as follows:

	2022	2021
Fair value of plan assets at beginning of the year	78,084	70,163
Contributions made during the year	27,577	36,550
Expected return on plan assets for the year	7,808	5,963
Actuarial (loss) / gain	(2,076)	1,958
Benefits paid during the year	(27,577)	(36,550)
Fair value of plan assets at end of the year	83,816	78,084

Fair value of plan assets are as follows:

	2022	2021
NAFA Government Securities Liquid Fund	23,743	23,424
Special saving certificates	58,560	53,280
Cash at bank	1,513	1,380
	83,816	78,084

	2022	2021
Plan assets comprise of:		
Equity	28.33%	30.00%
Special saving certificates	69.87%	68.23%
Cash at bank	1.80%	1.77%
	100.00%	100.00%

	2022	2021
	(Rupees in thousand)	
11.2.3 Charge for the year:		
In consolidated statement of profit or loss		
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Expected return on plan assets for the year	(7,808)	(5,964)
	13,957	11,596
In consolidated statement of comprehensive income		
Actuarial (gain) / loss on retirement benefits - net	(1,726)	27,456
	12,231	39,052

Actuarial assumptions:

The following are the principal actuarial assumptions at 30 June:

	2022	2021
Discount rate used for year end obligation	13.25%	10.00%
Discount rate used for interest cost in profit or loss	10.00%	8.50%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	

11.2.4 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 2022 would have been as follows:

	Gratuity Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	147,451	160,564
Future salary increase + 100 bps	160,564	147,343

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the consolidated statement of financial position.

11.2.5 At 30 June 2022, the average duration of the defined benefit obligation was 4 years (2021: 4 years).

11.3 MLCFL expects to charge Rupees 13.464 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2023.

11.4 Compensated absence and gratuity charge to consolidated statement profit or loss for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales	35.2	34,380	32,693
Administrative expenses	37.1	13,731	6,466
Distribution cost	36.1	9,229	2,897
		57,340	42,056

12. 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. Unwinding of liability during the year amounting to Rupees 27.82 million (2021: Rupees 25.62 million) has been charged to consolidated statement of profit or loss. The balance at the year end has been classified to current liabilities.

	Note	2022	2021
		(Rupees in thousand)	
13. DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		7,080,911	5,955,056
Long term investments		513	-
Short term investments		(150,936)	435,383
		6,930,488	6,390,439
Deferred tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(57,419)	(106,222)
Provision against obsolete stock-in-trade		(1,288)	(1,132)
Unused tax losses	13.1	(974,863)	(1,991,241)
Tax credit under section 65B		-	-
Provision against slow moving stores, spare parts and loose tools		(1,245)	(1,094)
Available tax loss on sale of investments and trading in derivatives		(27,438)	-
Alternative corporate tax		(458,028)	(276,429)
Employees' retirement benefits		(37,978)	(65,117)
		(1,558,259)	(2,441,235)
		5,372,229	3,949,204

	Note	2022	2021
		(Rupees in thousand)	
Movement in deferred tax balances is as follows:			
At beginning of the year		3,949,204	2,529,503
Recognized in consolidated statement of profit or loss:			
- Accelerated tax depreciation on operating fixed assets		1,125,855	270,542
- Short term investments		(586,319)	375,849
- Allowance for expected credit losses		48,803	(38,180)
- Provision against obsolete stock-in-trade		(156)	-
- Unused tax losses		1,016,378	789,796
- Tax credit under section 65B		-	119,870
- Provision against slow moving stores, spare parts and loose tools		(151)	-
- Available tax loss on sale of investments and trading in derivatives		(27,438)	182,658
- Employees' retirement benefits		26,582	3,427
- Alternative corporate tax		(181,599)	(276,429)
	41	1,421,955	1,427,533
Recognized in consolidated statement of comprehensive income:			
- Employees' retirement benefits		557	(7,832)
- Long term investments		513	-
		1,070	(7,832)
		5,372,229	3,949,204

13.1 This represents deferred tax asset of Subsidiary Company, MLCFL on unused tax losses amounting to Rupees 3,362 million (2021: Rupees 6,866.35 million) recognized on the basis of future expected taxable profits. As at 30 June 2022, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of the Income Tax Ordinance, 2001.

	Note	2022	2021
		(Rupees in thousand)	

14. TRADE AND OTHER PAYABLES

	Note	2022	2021
Creditors		4,909,874	3,955,017
Bills payable - secured		329,630	752,517
Accrued liabilities		1,789,447	1,153,193
Security deposits, repayable on demand	14.1	75,214	64,242
Contract liabilities - unsecured		486,238	401,711
Contractors' retention money		585,519	43,296
Workers' profits participation fund	14.2	1,857,000	1,725,945
Workers' welfare fund		370,605	176,523
Duties and taxes		1,684,908	1,737,937
Payable against redemption of preference shares		1,010	1,016
Withholding income tax payable		6,935	4,385
Sindh infrastructure development cess	14.3	198,652	99,238
Payable to employees' provident fund trust	14.4	31,545	20,739
Unrealised loss on re-measurement of future contracts - shares		4,386	59,915
Others		36,077	50,877
		12,367,040	10,246,551

14.1 This represents security deposits received from distributors and contractors of MLCFL. This includes security deposits amounting to Rupees 33.76 million which have not been kept in a separate bank account and Rupees 41.46 million utilized for the purpose of the business in accordance with requirements of written agreement with distributors and contractors.

	Note	2022	2021
		(Rupees in thousand)	

14.2 Workers' profits participation fund (WPPF)

	Note	2022	2021
Balance as on 01 July		1,725,945	1,477,908
Allocation for the year	38	774,878	432,966
Interest for the year	40	496	10,172
		2,501,319	1,921,046
Less: Payments during the year		(644,319)	(195,101)
		1,857,000	1,725,945

14.2.1 Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds retained by the Holding Company till the date of allocation to workers.

14.2.2 The outstanding WPPF liability of subsidiary companies, MLCFL and MLPL includes leftover amount of Rupees 1,613.70 million payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968 followed by The Punjab Workers Welfare Fund Act, 2019 and The Companies Profits (Workers Participation) (Amendment) Act, 2021, pertaining to the financial year ended 30 June 2012 to 30 June 2022. The payment of residual amount was earlier held up in view of legal infirmities, which has further widened in view of the MLCFL's status as a "trans-provincial" establishment on account of Industrial Relation Act 2012, whereby it is amenable to the jurisdiction of Federal Government and the enforceability of Provincial Laws stands excluded. This has given rise to conflict between the Federation and the Provinces. The MLCFL's reference to the Punjab Government whereby number of legal propositions have been agitated with a request for necessary decision in accordance with Law, which is still awaited. In the absence of the decision and the way forward the MLCFL is handicapped for the payment of residual amount either to the Provincial Government or the Federal Government. The MLCFL is under no obligation for payment of mark-up as the payment is not held up at its own volition but as a compulsion on account of the said dispute between the two Governments.

14.2.3 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.

	Note	2022	2021
		(Rupees in thousand)	
14.3 Sindh infrastructure development cess			
Balance as at 01 July		99,238	68,880
Add: Provision for the year		99,414	30,358
Balance as at 30 June	14.3.1	198,652	99,238

14.3.1 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 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 filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also directed the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

14.4 This also includes some employees of subsidiary Company, MLCFL on which provident fund deduction is 15% of basic salary (2021: 15%).

	Note	2022	2021
		(Rupees in thousand)	
15. ACCRUED MARK-UP			
Long term financing		539,199	240,854
Short term borrowings		225,495	97,777
		764,694	338,631
16. SHORT TERM BORROWINGS			
From banking companies - secured			
Short term running finances	16.1 & 16.2	2,487,598	1,881,528
Other short term finances	16.1 & 16.3	1,623,021	2,673,252
State Bank of Pakistan (SBP) refinances	16.1 & 16.4	4,278,931	4,519,777
Islamic mode of financing	16.1 & 16.5	1,366,057	-
		9,755,607	9,074,557
Temporary bank overdraft - unsecured	16.6	37,766	5,719
		9,793,373	9,080,276

16.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw material and shares of listed companies as disclosed in note 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 22,984 million (2021: Rupees 17,433 million).

16.2 The rates of mark-up range from 7.92% to 15.56% (2021: 7.75% to 9.09%) per annum on balance outstanding.

16.3 The rates of mark-up range from 1.15% to 21% (2021: 2.97% to 14.81%) per annum on balance outstanding.

16.4 The rate of mark-up was 3% to 7.50% (2021: 3%) per annum on balance outstanding.

16.5 These Islamic financing facilities have been obtained by subsidiary Company, MLCFL from Faysal Bank Limited for working capital requirements and are secured by first joint pari passu charge on all present and future current assets of the MLCFL amounting to Rs. 1,334 million. The Islamic financing facilities carry profit expense at the rates ranging from 8.05% to 11.26% (2021: Nil) per annum on balance outstanding.

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

	Note	2022	2021
		(Rupees in thousand)	
17. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	6	3,481,158	2,737,329
Deferred government grant	7	193,603	87,324
GIDC payable	8	621,121	510,657
Long term liability against right of use assets	9	6,837	-
		4,302,719	3,335,310
18. TAXATION - NET			
Balance as at 01 July		(1,364,178)	(1,012,570)
Add: Provision for the year	41	3,593,320	1,213,328
Add: Provision for worker's welfare fund		-	160
Add: Tax refunds received during the year		340,366	366,170
Less: Tax deducted at source / paid during the year		(2,241,242)	(1,931,266)
Balance as at 30 June		328,266	(1,364,178)

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

Holding Company

a) The Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122 (5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Company filed an appeal before 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, based on the advice of its legal counsel is hopeful of a favorable outcome.

b) The Company filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full & 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 based on the advice of its legal counsel.

c) The Company filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Company filed an appeal before 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 based on the advice of its legal counsel.

d) 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 favorable outcome based on the advice of its legal counsel.

e) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Company filed an appeal before CIR (A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Company while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), DCIR commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Company has filed an appeal against the order of the CIR (A) before the ATIR which is pending adjudication. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

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 358.538 million (2021: Rupees 175.619 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 (2021: 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 based on the advice of its legal counsel.

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 based on the advice of its legal counsel.

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 based on the advice of its legal counsel.

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 624.323 million (2021: Rupees 371.011 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 last 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 Hon'ble Supreme Court vide judgment dated 21.12.2011 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 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 last 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 was referred to the Competition Appellate Tribunal. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan where the case was last fixed for hearing on 23 February 2022 and leave to appeal was granted by Supreme Court of Pakistan. 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.

e) 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.

f) 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. During the year Honorable Lahore High Court vide order dated 08 March 2022 remanded back the case to Customs Appellate Tribunal, Lahore. However, the appeal is pending adjudication 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) During the last 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 March 8, 2021 and March 17, 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.

h) During the year 2018, the Learned Additional Commissioner, Officer, Enforcement-III, Punjab Inland Revenue Authority, Lahore (the "Learned Addl. CIR") vide order in order-in-original No. ENF-III.50.2017 dated 22 March 2018 raised demand of Rupees 256 million against the Company, related to tax period from July 2015 to March, 2017, on alleged non-deduction of withholding tax on services received by the Company. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honorable Lahore High Court (LHC) through constitutional petition No. 203460/2018. The Hon'ble Court was pleased to issue notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

i) During last year, the Company was selected for audit under section 42B of Sales tax for tax period July 2017 through June 2018 which was intimated to the Company by intimation letter dated December 8, 2020. During the year, the DCIR - Audit finalized the audit and created a demand of Rupees 690,519,908, along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Company has preferred an appeal before the ATIR which is pending adjudication at the year end. However, the management and the tax advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

j) During the year, the Company received show cause notice, dated 17 April 2022, as per which it was alleged that the Company's claim of input sales tax, amounting to Rupees 85.98 million, for the tax periods January 2017 through August 2019, was illegal. The Company responded to the notice vide letter dated 25 April 2022. The proceedings were concluded by the DCIR and demand of Rupees 85.98 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favorable outcome of the case; therefore, no provision has been incorporated in these consolidated financial statements.

k) During the year, the Company received show cause notice, dated 7 April 2022, as per which it was alleged that the Company's claim of input sales tax, amounting to Rupees 620.98 million, for the tax periods July 2019 through November 2021 was illegal. The Company responded to the notice vide letter dated 25 March 2022. The proceedings were concluded by the DCIR and demand of Rupees 580.06 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.

l) During last year, the Company received show cause notice, dated April 26, 2021, in which it was confronted that the Company has disposed of its fixed assets during the tax periods July 2015 through June 2017 without charging sales tax, aggregating to Rupees 42.75 million. The Company responded to the notice vide letter dated May 7, 2021. The proceedings were concluded and the DCIR vide assessment, dated 23 August 2021, passed under section 11 of the Sales Tax Act 1990, raised sales tax demand amounting to Rupees 42,758,060 along with default surcharge and penalty. Being aggrieved, the Company preferred an appeal before the CIR(A), which was disposed of by the CIR(A) vide appellate order dated 10 February 2022. Through such appellate order, entire sales tax demand along with penalty and default surcharge has been annulled by the CIR(A). It has been held that the disposal of land, buildings and vehicles did not warrant the imposition of sales tax and accordingly, the demand on account of these disposals has been deleted whereas sales tax demand on account of disposal of remaining fixed assets, amounting to Rupees 23 million, has been remanded back to the taxation officer to decide the matter after examination of underlying record. No further correspondence received from tax department in this regard. The management is expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

m) 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. 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 and 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, being prudent the Company has recorded the provision of Rupees 46.88 million during previous years in these consolidated financial statements. Management of the Company is confident of favorable outcome of the case. Therefore, no further provision has been incorporated in these consolidated financial statements.

n) 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 the year 2020, 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 Rupees 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.

o) The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR), via notice dated May 21, 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 Rupees 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 December 30, 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.

p) During previous year, the Additional Commissioner of Inland Revenue (the ACIR), vide order dated 3 May 2017, raised income tax demand amounting to Rupees 1,001.38 million related to the tax year 2016 primarily on account of inadmissibility of tax credit under section 113(2)(c) of the Income Tax Ordinance 2001. Being aggrieved, the Company filled a writ petition in the Honorable Lahore High Court (LHC) in May 2017 which is pending adjudication at the year end. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

q) During previous years, the income tax department filed various appeals in Honorable Lahore High Court / Supreme Court of Pakistan against decisions of different appellate forum in favor of the Company, which are pending adjudication at the year end. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the cases. Therefore, no provision has been booked in these consolidated financial statements.

r) During the year, with respect to the for tax year 2021, the Company received the notice dated 20 January 2022 where the Additional Commissioner Inland Revenue Audit -I, Range -I, Large Taxpayers Office, Lahore [ADCIR] initiated proceedings against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Company responded to the notice vide letter dated 23 June 23 2022, through which Company's stance was adequately explained. Subsequent to the year end, the ADCIR has concluded the proceedings vide amendment order dated 05 August 2022, through which the income tax refund has been curtailed to Rupees 862,510,581. Being aggrieved, the Company is in the process of filing an appeal against the subject amendment order before the 'CIR(A). The Company and the tax advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

s) With respect to the tax year 2012, the Company received the notice, dated 7 March 2014, from tax department for furnishing books of accounts / details/ documents for audit under section 177 of the Income Tax Ordinance 2001. In response the Company filed reply/explanation which the Officer Inland Revenue (OIR) found unsatisfactory to the extent of some points which were confronted through notice, dated 23 April 2019, under section 122(4)/122(5)/122(9) of the Income Tax Ordinance 2001. Subsequently, during the year 2014, the OIR amended the assessment under section 122(4) /122(5) of the Income Tax Ordinance 2001, in the light of record available with him, vide order dated 30 April 2019 and reduced the losses by making additions of Rupees 256 million. Being aggrieved, the Company filed an appeal before CIR (A) dated 07 August 2019. The case was heard before CIR (A) dated 14 December 2012 in which the CIR (A) upheld the additions of Rupees 99 million, remand back total additions of Rupees 127 million and delete total additions of Rupees 30 million vide order dated 31 December 2021. Being aggrieved with the treatment of CIR(A) the Company filed an appeal before ATIR dated 15 March 2022 which is pending for adjudication at the year end. The Company and the tax advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

t) Guarantees given by banks on behalf of MLCFL are of Rupees 1,037.04 million (2021: Rupees 683.06 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

Subsidiary Company - Maple Leaf Power Limited

a) The Deputy Commissioner Inland Revenue (DCIR) vide order no. U-13/Enf-11/19/2021 dated 27 May 2021 created demand amounting Rupees 367.6 million 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. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 136-ST/A-VI dated 31 December 2021 reduced the demand to Rupees 134.8 million and remanded the remaining demand to DCIR. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

b) The Deputy Commissioner Inland Revenue (DCIR) vide order no. 04/2021 dated 15 July 2021 created demand amounting Rupees 843.6 million under Sales Tax Act, 1990 for the tax period from July 2017 to December 2020 on account of non-apportionment of input tax credit against Capacity Purchase Price (CPP) component of electricity tariff. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 151-ST/A-VI dated 20 January 2022 reduced the demand to Rupees 580.3 million and annulled the remaining demand. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

c) The Deputy Commissioner Inland Revenue (DCIR) vide order no. 05/2021 dated 17 July 2021 created demand amounting Rupees 182.8 million under Sales Tax Act, 1990 for the tax period from July 2016 to June 2017 on account of non-apportionment of input tax credit against Capacity Purchase Price (CPP) component of electricity tariff. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 150-ST/A-VI dated 20 January 2022 reduced the demand to Rupees 96.5 million and annulled the remaining demand. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

d) The Deputy Commissioner Inland Revenue (DCIR) vide order no. U-13/Enf-II/165/2021 dated 15 February 2022 created demand amounting Rupees 13.58 million (including 100% penalty amounting Rupees 6.78 million) under Sales Tax Act, 1990 for the tax period July 2019 and August 2019 on account of in-admissible adjustment of input tax credit. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 258-ST/A-VI 04 July 2022 upheld the order of DCIR. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

e) The Assistant Commissioner Inland Revenue (ACIR) vide order no. U-13/Enf-II/168/460 dated 12 April 2022 created demand amounting Rupees 14.76 million (including penalty amounting Rupees 0.70 million) under Special Procedure Withholding Rules, 2007 and Sales Tax Act, 1990 for the tax period July 2016 and June 2018 on account of non-payment of withholding sales tax in respect of purchases. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

f) The Subsidiary Company, MLPL has arranged guarantees from different banks aggregating to Rupees 25 million (2021: Rupees 25 million) which comprises of a guarantee from Askari Bank Limited worth Rupees 15 million (secured with 100% margin) and a guarantee from MCB Bank Limited worth Rupees 10 million in favour of Director Excise and Taxation Karachi. Bank guarantee was also given by a bank on behalf of the Subsidiary Company, MLPL amounting to Rupees 25.66 million (secured against 15% lien on profit or loss account), in favour of Pakistan Railways.

19.2 Commitments :

a) Letters of credit for capital expenditure amount to Rupees 8,617.945 million (2021: Rupees 12,185.517 million).

b) Letters of credit other than for capital expenditure amounting to Rupees 4,640.741 million (2021: Rupees 3,388.249 million).

c) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 491.136 million (2021: Rupees 1,772.168 million).

	Note	2022	2021
		(Rupees in thousand)	
20. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - Owned	20.1	53,995,182	52,462,922
Capital work in progress	20.2	17,192,908	3,441,203
Major spare parts and stand-by equipments	20.3	280,655	107,942
		71,468,745	56,012,067

20.1 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	Leasehold land	Leasehold building	Total
	(Rupees in thousand)														
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	-	-	-	-	489,410	20,296	14,190	65,285	1,489	-	-	-	-	-	590,670
Transfers (Note 20.2)	-	-	772,741	19,734	1,306,455	-	-	-	8,523	95,492	-	-	-	-	2,202,945
Revaluation surplus (Note 4)	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
Year ended 30 June 2022															
Opening 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
Additions	-	-	-	29,129	343,443	670	9,265	35,217	15,245	31,915	-	-	29,001	15,020	508,905
Transfers (Note 20.2)	-	-	856,892	592	3,679,902	-	-	-	-	136,135	-	-	-	-	4,673,521
Disposals:															
Cost / revalued amount	-	-	(36,528)	-	(149,273)	-	(873)	(3,870)	-	(65,083)	-	-	-	-	(255,627)
Accumulated depreciation	-	-	33,381	-	114,670	-	635	3,419	-	46,492	-	-	-	-	198,597
	-	-	(3,147)	-	(34,603)	-	(238)	(451)	-	(18,591)	-	-	-	-	(57,030)
Depreciation charge	-	(351)	(785,674)	(40,204)	(2,635,348)	(3,132)	(11,582)	(30,709)	(4,025)	(71,589)	(2,597)	(2)	(1,113)	(6,810)	(3,593,136)
Closing net book value	3,960,324	47,666	12,141,899	96,393	36,963,265	38,971	35,440	189,878	45,461	421,834	17,761	192	27,888	8,210	53,995,182
At 30 June 2022															
Cost / revalued amount	3,960,324	57,733	18,026,631	232,064	66,736,077	83,828	160,260	687,215	87,153	782,202	192,244	6,000	29,001	15,020	91,055,752
Accumulated depreciation	-	(10,067)	(5,884,732)	(135,671)	(29,772,812)	(44,857)	(124,820)	(497,337)	(41,692)	(360,368)	(174,483)	(5,808)	(1,113)	(6,810)	(37,060,570)
Net book value	3,960,324	47,666	12,141,899	96,393	36,963,265	38,971	35,440	189,878	45,461	421,834	17,761	192	27,888	8,210	53,995,182
Depreciation rate (%)	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	10	10	

20.1.1 Freehold land of the Holding Company was revalued by an independent valuer Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2022. Book value of freehold land on cost basis is Rupees 160.105 million (2021: Rupees 160.105 million) as on 30 June 2022. Had there been no revaluation, the value of freehold land would have been lower by Rupees 2,608.182 million (2021: Rupees 2,608.182 million). Forced sale value of freehold land of the Holding Company at 30 June 2022 was Rupees 2,353.044 million (2021: Rupees 2,353.044 million). Freehold land of MLCFL was last 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 (2021: Rupees 822.154 million). Forced sale value at 30 June 2022 was Rupees 953.630 million (2021: Rupees 953.630 million).

20.1.2 Ownership of the housing colony's assets included in the operating fixed assets of the subsidiary Company, MLCFL is shared by the MLCFL jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

20.1.3 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Factory and other buildings							
Slurry Silos	9,971	8,992	979	1,550	571	Auction	M/s Techsawy Trading
Cement Storage	8,917	8,047	870	1,390	520	Auction	M/s Techsawy Trading
Raw Mill/Cement Mill	8,199	7,391	808	830	22	Auction	M/s Techsawy Trading
	27,087	24,430	2,657	3,770	1,113		
Plant and machinery							
Schlafhorst Auto Winder RM-338	42,265	34,647	7,618	16,684	9,066	Negotiation	H.A. Haq Spinning Mills (Private) Limited, Faisalabad
Schlafhorst Auto Winder RM-338	24,861	18,460	6,401	10,000	3,599	Negotiation	Allawasaya Spinning Mills (Private) Limited, Multan
Generator Diesel Caterpillar	9,264	8,121	1,143	1,196	53	Negotiation	Sanadeed Trading Company, Faisalabad
Chiller LG	9,700	7,648	2,052	5,299	3,247	Negotiation	Professional Engineering Solution, Lahore
Gear Boxes	6,615	960	5,655	2,126	(3,529)	Auction	Mohammad Hayat
Vibrating Machine	4,919	867	4,052	669	(3,383)	Auction	Mohammad Hayat
Frequency Drive	3,787	1,647	2,140	711	(1,429)	Auction	Karam Dad Khan
Automatic/Manual Mortar Mixer	1,391	474	917	150	(767)	Auction	Mohammad Hayat
Digital Load Cell	2,823	2,028	795	125	(670)	Auction	Karam Dad Khan
Gear Box	693	92	601	650	49	Auction	Mohammad Hayat
Motor	677	90	587	635	48	Auction	Karam Dad Khan
	106,995	75,034	31,961	38,245	6,284		
Vehicles							
Toyota Land Cruiser RID-2750	4,299	3,647	652	6,700	6,048	Negotiation	Muhammad Arshad, Group's employee
Suzuki Cultus RI-466	1,129	613	516	1,093	577	Negotiation	E.F.U. General Insurance Limited, Karachi
Honda Civic LE-15-5926	2,565	1,791	774	3,000	2,226	Negotiation	Atif Amin Chaudhry, Lahore
Mercedes Benz LZO 6000	15,000	13,190	1,810	13,000	11,190	Negotiation	Pakwest Industries (Private) Limited, Lahore
Honda Civic LE-15-5927	2,509	1,787	722	1,636	914	Negotiation	Salman Moin, Group's employee
Suzuki Cultus LED-18A-203	1,613	740	873	1,400	527	Negotiation	Umer Saleh, Group's employee
Honda Civic LEF-14-4809	2,532	1,872	660	2,140	1,480	Negotiation	AG Motors, Lahore
Suzuki Cultus	2,017	120	1,897	1,890	(7)	Buy back policy	Mr. Tariq Ahmed Mir, Group's employee
Suzuki Cultus	1,603	725	878	1,200	322	Buy back policy	Ms. Hafsa Mehmood, Group's employee
Suzuki Cultus	1,603	752	851	1,050	199	Buy back policy	Ms. Amna Nauman, Group's employee
Suzuki Cultus	1,419	793	626	1,100	474	Buy back policy	Mr. Sajid Alam, Group's employee
Suzuki Cultus	1,426	866	560	950	390	Buy back policy	Mr. Muhammad Haroon Saleem, Group's employee
	37,715	26,896	10,819	35,159	24,340		
	171,797	126,360	45,437	77,174	31,737		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	83,830	72,237	11,593	24,402	12,809		
	255,627	198,597	57,030	101,576	44,546		

	Note	2022 (Rupees in thousand)	2021
20.1.4 Depreciation charged during the year has been allocated as follows:			
Cost of sales	35	3,469,389	3,397,816
Distribution cost	36	17,897	7,109
Administrative expenses	37	105,850	110,765
		3,593,136	3,515,690

20.1.5 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

20.2 Capital work in progress

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
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	20.1	(792,475)	(1,306,455)	(104,015)	(2,202,945)
At 30 June 2021		1,063,380	974,888	1,402,935	3,441,203
Add: Additions during the year		3,577,653	14,428,025	419,548	18,425,226
Less: Transferred to operating fixed assets during the year	20.1	(857,484)	(3,679,902)	(136,135)	(4,673,521)
At 30 June 2022	20.2.1 & 20.2.2	3,783,549	11,723,011	1,686,348	17,192,908

20.2.1 This includes borrowing cost amounting to Rupees 361.25 million (2021: Rupees 22.72 million) capitalized during the year at effective rate ranging from 2.5% to 16.27% per annum..

20.2.2 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.

20.3 This represents capital expenditure related to MLCFL expansion projects.

	Note	2022	2021
		(Rupees in thousand)	

21. INVESTMENT PROPERTIES

	Note	2022	2021
Opening net book value		1,824,360	1,792,755
Fair value gain	39	-	31,605
Closing net book value		1,824,360	1,824,360

21.1 The fair value of investment properties comprising land and building 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 2022.

21.2 Forced sale value of these properties as at 30 June 2022 was Rupees 1,550.707 million (2021: Rupees 1,550.707 million).

21.3 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	2022	2021
		(Rupees in thousand)	

22. INTANGIBLES - computer softwares

	Note	2022	2021
Intangible assets	22.1	10,415	6,018

22.1 Intangible assets

	2022	2021
Cost		
At beginning of the year	83,885	83,885
Additions during the year	6,786	-
At end of the year	90,671	83,885
Accumulated amortization		
At beginning of the year	77,867	74,861
Amortization for the year	2,389	3,006
At end of the year	80,256	77,867
Net book value	10,415	6,018

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

	Note	2022	2021
Cost of sales	35	740	1,110
Administrative expenses	37	1,649	1,896
		2,389	3,006

	Note	2022	2021
		(Rupees in thousand)	

23. LONG TERM LOANS TO EMPLOYEES - Secured

	Note	2022	2021
House building		4,677	7,101
Vehicles		1,395	2,021
Others		24,162	18,874
		30,234	27,996
Less: Current portion shown under current assets	29	(10,868)	(10,992)
		19,366	17,004

23.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6.00% (2021: 6.00%) per annum. These loans are recoverable in 30 to 60 monthly installments.

23.2 These include loans to executives amounting to Rupees 4.24 million (2021: Rupees 6.08 million) which further include loan to key management personnel amounting to Rupees Nil (2021: Rupees 2.2 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balance is Rupees 2.2 million (2021: Rupees 5.2 million). Further, no amount is due from Directors and Chief Executive at the year end (2021: Rupees Nil).

	Note	2022	2021
		(Rupees in thousand)	

24. LONG TERM INVESTMENTS

	Note	2022	2021
Equity instruments	24.1	54,140	53,286
Advance against purchase of shares	24.2	268,602	104,124
Debt instruments - at amortized cost:			
Term deposit receipts:	24.3		
- United Bank Limited		13,950	-
- MCB Bank Limited		13,927	-
		27,877	-
Add: Accrued markup		144	-
		28,021	-
		350,763	157,410

24.1 Equity instruments - fair value through other comprehensive income

	Note	2022	2021
- Block Tech Limited - un-quoted	24.1.1	3,750	7,000
- Universal Network Systems Limited - quoted	24.1.2	50,390	46,286
		54,140	53,286

24.1.1 The Subsidiary Company, MLCL has made an initial investment of Rupees 7.0 million by subscribing 700,000 ordinary shares of Rupees 10 each in BlockTech Limited in financial year 2021. This represented 28 percent of total issued and subscribed share capital of the investee company. During the year, MLCL has disposed off 13 percent stake in investee company representing 325,000 ordinary shares at a consideration of Rupees 3.250 million. One of the MLCL's employee is on the board of directors of the investee company; therefore, it is concluded that the MLCL has no significant role in policy-making process including decisions about dividends or other distributions from the 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.

24.1.2 The Subsidiary Company, MLCL has entered into an agreement for investment of Rupees 46.286 million by subscribing 1,028,572 ordinary shares of Rupees 10 each in Universal Network Systems Limited. This represents 3.75 percent of total issued and subscribed share capital of the investee company. MLCL invested at Rupees 45 per share which was at 10 percent discount to the IPO price. Consideration of this investment was paid at the time of IPO on 30 September 2021. MLCL had the option of putting its entire shareholding, from the 6th to 8th month commenced from the date of IPO, for sale at a premium of 25 percent IRR annualized on investment amount calculated from the date of payment. MLCL did not exercise this option. Being a quoted company, fair value of this investment as on the reporting date corresponds to the market price.

	Note	2022	2021
		(Rupees in thousand)	
24.2 Advance against purchase of shares - fair value through other comprehensive income			
- Convenience Stores (Private) Limited - unquoted	24.2.1	42,000	42,000
- Ah-Brigelinx Solutions (Private) Limited - unquoted	24.2.2	199,977	62,124
- NayaPay (SMC-Private) Limited - unquoted	24.2.3	26,625	-
		268,602	104,124

24.2.1 This represents advance given by Subsidiary Company, MLCL to Convenience Stores (Private) Limited for purchase of 280,000 shares at the rate of Rupees 150 per share.

24.2.2 The Subsidiary Company, MLCL entered into agreement with AH-Bridgelinx Solutions (Private) Limited (incorporated under the laws of Pakistan) and BridgeLinx Technologies PTE Limited (incorporated under the laws of Singapore). MLCL has made investment of US dollars 1,200,000 in Pak Rupees equivalent in the designated bank account of AH-Bridgelinx Solutions (Private) Limited. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act,1947, MLCL will take up shares of BridgeLinx Technologies PTE Limited. AH-Bridgelinx Solutions (Private) Limited will issue shares of the equivalent value in favour of BridgeLinx Technologies PTE Limited and in consideration of those shares, BridgeLinx Technologies PTE Limited will issue shares of equal value in favour of the MLCL. This investment is subject to the compliance with the applicable laws of Pakistan, applicable laws of 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, MLCL.

24.2.3 As on 25 February 2022, the Subsidiary Company, MLCL has entered into an agreement with NayaPay (SMC-Private) Limited (incorporated under the laws of Pakistan) and NayaPay Technologies Limited (incorporated under the laws of Dubai). MLCL has agreed to make an investment of US dollars 150,000 in Pak Rupees equivalent in the designated bank account of NayaPay (SMC-Private) Limited by no later than 07 March 2022. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act,1947, MLCL will take up shares of NayaPay Technologies Limited. NayaPay (SMC-Private) Limited will issue shares of the equivalent value in favour of NayaPay Technologies Limited and in consideration of those shares, NayaPay Technologies Limited will issue shares of equal value in favour of the MLCL. This investment is subject to the compliance with the applicable laws of Pakistan, applicable laws of Dubai and approval from State Bank of Pakistan under forex laws of Pakistan.

24.3 These term deposit reeceipts have maturity period of 3 years and carying profit at effective rate of 14.50% (2021:Nil). These are underline with the bank against guarrantees given on behalf of the Holding Company.

25. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections, regulatory authorities and others. These are not being carried at amortized cost as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

	Note	2022	2021
		(Rupees in thousand)	
26. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		10,077,180	6,395,503
Spare parts		4,206,180	4,282,236
Loose tools		31,561	185,233
		14,314,921	10,862,972
Less: Provision against slow moving stores, spare parts and loose tools		(3,772)	(3,772)
	26.1	14,311,149	10,859,200

26.1 This includes stores in transit of Rupees 145.213 million (2021: Rupees 1,262.719 million).

	Note	2022	2021
		(Rupees in thousand)	
27. STOCK-IN-TRADE			
Raw materials	27.1 & 27.3	3,259,637	2,312,391
Packing materials		258,414	231,303
Work-in-process		2,700,378	2,160,126
Finished goods	27.2	2,395,207	1,358,805
		8,613,636	6,062,625
Provision against obsolete stock-in-trade		3,904	3,904
		8,609,732	6,058,721

27.1 Raw materials include stock in transit of Rupees 162.638 million (2021: Rupees 17.094 million). Further, Raw materials of Rupees 200.016 million (2021: Rupees Nil) 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 139.533 million (2021: Rupees Nil).

27.2 Finished goods include stock in transit of Rupees 126.121 million (2021: Rupees 39.851 million). Further, finished goods of Rupees 243.416 million (2021: Rupees 91.276 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 39.297 million (2021: Rupees 3.039 million).

27.3 Raw materials include stock amounting to Rupees 20.224 million (2021: Rupees 23.897 million) with external parties for processing.

	Note	2022	2021
		(Rupees in thousand)	
28. TRADE DEBTS			
Considered good:			
Secured (against letters of credit)		2,661,798	1,964,783
Unsecured		3,993,492	3,348,615
		6,655,290	5,313,398
Less: Allowance for expected credit losses	28.2	(175,090)	(366,280)
		6,480,200	4,947,118

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

	Note	2022	2021
		(Rupees in thousand)	
28.2 Allowance for expected credit losses			
Opening balance		366,280	234,626
Recognized during the year	38	102,202	131,654
Debtors written off against provision		(293,392)	-
Balance at end of year		175,090	366,280

28.3 As at 30 June 2022, trade debts of Rupees 2,420.238 million (2021: Rupees 1,940.690 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:

	Note	2022	2021
		(Rupees in thousand)	
Upto 1 month		1,429,777	835,600
1 to 6 months		859,070	717,401
More than 6 months but less than one year		89,133	113,286
More than one year		42,258	274,403
		2,420,238	1,940,690

28.4 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.

28.5 The majority of export debtors of the Group are situated in Asia, Europe and America.

	Note	2022	2021
		(Rupees in thousand)	
29. LOANS AND ADVANCES - considered good			
Loans and advances to employees			
Secured	29.1		
- Executives		6,740	328
- Other employees		1,980	1,584
- Current portion of long term loans to employees		10,868	10,992
		19,588	12,904
Unsecured			
- Executives	29.2	4,000	3,840
- Other employees		24,740	6,985
		28,740	10,825
		48,328	23,729
Government Authorities:			
- Collector of customs	29.3	289,753	206,118
- Refunds from Government	29.4	7,588	16,797
		297,341	222,915
Advances to suppliers	29.5	851,301	694,821
Letters of credit		114,265	162,909
		1,311,235	1,104,374

29.1 These represent short term advances given to employees as per Group's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

29.2 This includes loan to key management personnel (Amir Feroze and Zeeshan Malik Bhutta) amounting to Rupees 3.25 million (2021: Rupees 3.05 million). The maximum aggregate amount outstanding from key management personnel (Amir Feroze and Zeeshan Malik Bhutta) at any time during the year calculated with reference to month end balance is Rupees 3.25 million (2021: Rupees 3.05 million). Further, no amount is due from other directors at the year end (2021: Rupees Nil)

29.3 This includes Rupees 180 million paid by MLCFL under protest as disclosed in note 19.1 (c) to these consolidated financial statements.

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

29.5 This includes an amount of Rupees 121.58 million (2021: Rupees 103.59 million) advanced to Ministry of Railways for transportation of coal and cement.

	Note	2022	2021
		(Rupees in thousand)	

30. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2022	2021
Short term deposit		34,106	-
Margin against:			
- Letters of credit		69,316	5,942
- Bank guarantees		436,955	231,035
Prepayments		52,034	20,258
		592,411	257,235

31. OTHER RECEIVABLES

Considered good:

	Note	2022	2021
Sales tax refundable		762,635	735,009
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		49,706	43,848
Duty draw back receivable		136,705	487,117
Margin deposits with brokers		80,707	234,167
Dividend receivable		2,646	2,216
Accrued interest		3,755	4,212
Others		7,294	64,023
		1,063,074	1,590,218

32. SHORT TERM INVESTMENTS

	Note	2022	2021
FINANCIAL INSTRUMENTS			
Trade deposit receipts			
Debt instruments			
Investment - Amortized cost	32.1	584,092	230,290
Equity instruments			
Investments - Fair value through profit or loss	32.2	4,096,150	9,728,127
Advance against purchase of shares	32.3	-	108,528
		4,680,242	10,066,945

32.1 Debt instruments - amortized cost

	Note	2022	2021
Holding Company			
Term deposit receipts	32.1.1		
- JS Bank Limited		6,960	-
- United Bank Limited		317,600	132,500
- The Bank of Khyber		80,000	-
		404,560	132,500
Add: Accrued markup		6,581	1,366
		411,141	133,866
Subsidiary Company - MLCFL			
Term deposit receipts - The Bank of Punjab		169,500	94,500
Add: Accrued markup		3,451	1,924
		172,951	96,424
		584,092	230,290

32.1.1 These term deposit receipts have maturity period ranging from one month to one year. The effective rate of profit ranges from 11% to 12% (2021: 6.50%). These are 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 05 April 2023 till 15 April 2023 carrying a mark-up at the rate ranging from 8.50% to 10.50% per annum.

32.2 Investments-Fair Value through profit or loss

	2022			2021		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	- - - - - - - - - - - - (Rupees in thousand) - - - - - - - - - - - -					
Holding Company						
Mutual funds						
MCB - Arif Habib Savings and Investments Limited 19,443 (2021: Nil) units	981	-	981	-	-	-
	981	-	981	-	-	-
Subsidiary Company - MLCL						
Mutual funds						
ABL Cash Fund 259 (2021: Nil) units	3	-	3	-	-	-
Al Habib Cash Fund (Formerly First Habib Cash Fund) 985 (2021: Nil) units	100	-	100	-	-	-
NAFA Money Market Fund 133 (2021: 161,252) units	1	-	1	1,594	3	1,596
HBL Money Market Fund 741 (2021: Nil) units	76	-	76	-	-	-
UBL Money Market Fund 4 (2021: Nil) units	-	-	-	-	-	-
UBL Liquidity Plus Fund 1,651 (2021: Nil) units	167	-	167	-	-	-
HBL Growth Fund - Class A 1 (2021: 1) units	-	-	-	-	-	-
HBL Growth Fund - Class B 1 (2021: 1) units	-	-	-	-	-	-
UBL Cash Fund 7 (2021: Nil) units	1	-	1	-	-	-
	348	-	348	1,594	3	1,596
Shares in listed companies						
Agritech Limited 16,425,001 (2021: 1) fully paid ordinary shares of Rupees 10 each	118,516	(9,289)	109,227	-	-	-
Attock Refinery Limited 4,528,301 (2021: 3,223,501) fully paid ordinary shares of Rupees 10 each	1,033,398	(237,413)	795,985	849,436	(22,770)	826,666
Cherat Cement Company Limited 844 (2021: 1) fully paid ordinary shares of Rupees 10 each	120	(41)	79	-	-	-
Flying Cement Company Limited 4,263,001 (2021: 4,060,001) fully paid ordinary shares of Rupees 10 each	38,357	(7,748)	30,609	93,200	(6,803)	86,397
Ghandhara Industries Limited 2 (2021: 2) fully paid ordinary shares of Rupees 10 each	1	-	1	-	-	-
Honda Atlas Cars (Pakistan) Limited 444,701 (2021: 576,901) fully paid ordinary shares of Rupees 10 each	153,769	(67,172)	86,597	222,982	(23,501)	199,481
Hum Network Limited 16,732,501 (2021: 30,232,501) fully paid ordinary shares of Rupees 10 each	121,286	(2,151)	119,135	217,750	24,715	242,465
International Steels Limited 1,000,001 (2021: 1) fully paid ordinary shares of Rupees 10 each	69,848	(10,488)	59,360	-	-	-
Lucky Cement Limited 396,853 (2021: 464,754) fully paid ordinary shares of Rupees 10 each	324,052	(141,880)	182,172	367,403	33,885	401,288
Meezan Bank Limited 2,391 (2021: 1) fully paid ordinary shares of Rupees 10 each	334	(64)	270	-	-	-
Mughal Iron and Steel Industries Limited 1,060,501 (2021: 1) fully paid ordinary shares of Rupees 10 each	107,072	(45,945)	61,127	-	-	-
Nishat Chunian Power Limited 3,000,501 (2021: 4,020,501) fully paid ordinary shares of Rupees 10 each	45,068	(330)	44,738	79,088	(18,700)	60,388
OLP Financial Services Pakistan Limited (Formerly Orix Leasing Pakistan Limited) 75 (2021: 75) fully paid ordinary shares of Rupees 10 each	2	-	2	2	-	2
Supernet Limited 1,250,000 (2021: Nil) fully paid ordinary shares of Rupees 10 each	28,125	(3,988)	24,137	-	-	-
Pioneer Cement Limited 24,609,001 (2021: 24,609,001) fully paid ordinary shares of Rupees 10 each	3,225,502	(1,740,841)	1,484,661	1,616,880	1,608,622	3,225,502
Sunrays Textile Mills Limited 3 (2021: 3) fully paid ordinary shares of Rupees 10 each	1	-	1	-	1	1
Systems Limited 10 (2021: 1,675,421) fully paid ordinary shares of Rupees 10 each	4	-	4	355,578	583,026	938,604
TRG Pakistan Limited - Class 'A' 13,808,633 (2021: 20,108,633) fully paid ordinary shares of Rupees 10 each - associated Company	2,211,471	(1,143,649)	1,067,822	2,545,763	798,906	3,344,669
Other listed companies 384 (2021: 56,080,375) fully paid ordinary shares of Rupees 10 each	53	(5)	48	324,783	21,637	346,420
	7,476,979	(3,411,004)	4,065,975	6,672,865	2,999,018	9,671,883
Subsidiary Company - MLCFL						
Shares in listed company						
Next Capital Limited 1,500,000 (2021: 1,500,000) fully paid ordinary shares of Rupees 10 each, 1,875,000 (2021: 1,875,000) fully paid right shares of Rupees 8 each and 337,500 (2021: 337,500) bonus shares having Market value of Rs. 7.77 per share (2021: Rs. 14.72 per share)	54,648	(25,802)	28,846	30,000	24,648	54,648
	7,532,956	(3,436,806)	4,096,150	6,704,459	3,023,669	9,728,127

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

	2022	2021
	(Number of Shares)	
Attock Refinery Limited	3,990,500	2,213,500
Lucky Cement Limited	159,500	464,500
Nishat Chunian Power Limited	-	4,020,500
Pioneer Cement Limited	17,450,000	3,000,000
Systems Limited	-	1,360,000
TRG Pakistan Limited	4,000,000	8,306,500
Honda Atlas Cars (Pakistan) Limited	425,000	-

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 were transferred into the CDC account of the MLCL as on 07 July 2021. 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 30 June 2021; hence, aforesaid strike price was considered as fair value.

33. CASH AND BANK BALANCES

	Note	2022	2021
		(Rupees in thousand)	
Cash in hand		6,346	6,819
Cash at bank:			
- On current accounts	33.1	593,617	430,004
- On saving accounts	33.1, 33.2 & 33.3	561,695	407,216
		1,155,312	837,220
		1,161,658	844,039

33.1 The balances in current and deposit accounts include USD 192,264 (2021: USD 146,311) and GBP 2,000 (2021: GBP 2,000).

33.2 The balances in saving accounts carry interest ranging from 2.75% to 13.51% (2021: 2.34% to 6.75%) per annum.

33.3 The balances in saving accounts include an amount of Rupees 26.217 million (2021: Rupees 15.155 million) held under lien against guarantees issued by the bank on behalf of the Group.

	Note	2022	2021
		(Rupees in thousand)	

34. REVENUE

Revenue from contracts with customers:			
- Export sales		15,419,695	13,844,910
- Local sales	34.1 & 34.5	72,477,337	51,239,271
		87,897,032	65,084,181
Duty draw back		-	278,204
Export rebate		79,533	88,353
		87,976,565	65,450,738

34.1 Local sales	95,348,937	70,135,756
Less:		
Sales tax	14,895,884	11,078,857
Federal excise duty	6,973,716	7,043,999
Commission	275,582	233,060
Discount	726,418	540,569
	72,477,337	51,239,271

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)									
Primary geographical markets										
Europe	-	-	4,362,025	1,917,794	3,330,060	2,027,775	-	-	7,692,085	3,945,569
United States of America and Canada	-	-	40,233	162,987	5,625,195	4,887,395	-	-	5,665,428	5,050,382
Asia, Africa, Australia	-	-	324,381	260,652	862,129	2,692,959	875,672	1,895,348	2,062,182	4,848,959
Pakistan	21,429,627	14,463,555	3,290,628	2,998,046	214,473	177,805	47,542,609	33,599,865	72,477,337	51,239,271
Export rebate and duty draw back	-	-	-	-	79,533	366,557	-	-	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	87,976,565	65,450,738
Major product / service lines										
Yarn	21,342,523	14,393,124	-	-	-	-	-	-	21,342,523	14,393,124
Greige fabric	-	-	8,017,267	5,339,479	-	-	-	-	8,017,267	5,339,479
Made-ups	-	-	-	-	9,466,007	9,229,624	-	-	9,466,007	9,229,624
Finished fabric	-	-	-	-	506,540	492,058	-	-	506,540	492,058
Processing income	-	-	-	-	24,952	21,654	-	-	24,952	21,654
Cement	-	-	-	-	-	-	48,418,281	35,495,213	48,418,281	35,495,213
Waste	87,104	70,431	-	-	34,358	42,598	-	-	121,462	113,029
Export rebate and duty draw back	-	-	-	-	79,533	366,557	-	-	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	87,976,565	65,450,738
Revenue from contracts with customers	21,429,627	14,463,555	8,017,267	5,339,479	10,031,857	9,785,934	48,418,281	35,495,213	87,897,032	65,084,181
Export rebate and duty draw back	-	-	-	-	79,533	366,557	-	-	79,533	366,557
	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	87,976,565	65,450,738
Timing of revenue recognition										
Products transferred at a point in time	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	87,976,565	65,450,738
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
External revenue as reported	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	87,976,565	65,450,738

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

34.4 The amount of Rupees 274.233 million included in contract liabilities (Note 14) at 30 June 2021 has been recognised as revenue during the year (2021: Rupees 209.13 million).

34.5 These include sales of Rupees 4,561.786 million (2021: Rupees 1,838.290 million) to direct exporters against standard purchase orders (SPOs).

	Note	2022	2021
		(Rupees in thousand)	

35. COST OF SALES

	Note	2022	2021
Raw materials consumed	35.1	23,838,090	16,534,070
Salaries, wages and other benefits	35.2	3,667,879	3,413,753
Processing charges		7,567	44,409
Stores, spare parts and loose tools consumed		2,983,130	2,971,284
Packing materials consumed		3,765,314	3,642,008
Freight and forwarding		699,664	543,688
Fuel and power		25,678,773	17,766,982
Repair and maintenance		683,982	517,269
Insurance		135,964	116,890
Other factory overheads	35.3	494,439	397,681
Amortization	22.2	740	1,110
Depreciation	20.1.4	3,469,389	3,397,816
		65,424,931	49,346,960
Work-in-process			
Opening stock		2,160,126	1,903,951
Closing stock		(2,700,378)	(2,160,126)
		(540,252)	(256,175)
Cost of goods manufactured		64,884,679	49,090,785
Finished goods			
Opening stock		1,358,805	2,265,560
Closing stock		(2,395,207)	(1,358,805)
		(1,036,402)	906,755
Cost of sales		63,848,277	49,997,540

35.1 Raw materials consumed

	2022	2021
Opening stock	2,312,391	2,767,098
Add: Purchased during the year	24,785,336	16,079,363
	27,097,727	18,846,461
Less: Closing stock	(3,259,637)	(2,312,391)
	23,838,090	16,534,070

35.2 Salaries, wages and other benefits include provident fund contribution of Rupees 121.139 million (2021: Rupees 108.365 million), gratuity and compensated absences amounting to Rupees 34.380 million (2021: Rupees 32.693 million).

35.3 Other factory overheads include housing colony expenses aggregating to Rupees 77.72 million (2021: Rupees 64.33 million).

	Note	2022	2021
		(Rupees in thousand)	

36. DISTRIBUTION COST

	Note	2022	2021
Salaries and other benefits	36.1	408,199	345,550
Outward freight and handling		194,713	69,818
Clearing and forwarding		1,031,089	838,319
Commission to selling agents		223,709	157,918
Travelling and conveyance		214,328	124,154
Insurance		2,636	13,750
Vehicles' running		57,612	40,042
Electricity, gas and water		3,053	3,090
Postage, telephone and fax		10,341	8,987
Sales promotion and advertisement		812,287	503,020
Depreciation	20.1.4	17,897	7,109
Miscellaneous		102,690	222,365
		3,078,554	2,334,122

36.1 Salaries and other benefits include provident fund contribution of Rupees 18.409 million (2021: Rupees 15.345 million), gratuity and compensated absences amounting to Rupees 9.23 million (2021: Rupees 2.90 million).

37. ADMINISTRATIVE EXPENSES

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
Salaries and other benefits	37.1	1,266,989	857,785
Travelling and conveyance		115,715	89,468
Repair and maintenance		88,101	61,189
Rent, rates and taxes	37.2	21,873	25,589
Insurance		12,981	13,425
Vehicles' running		85,478	58,861
Printing, stationery and periodicals		46,691	33,953
Electricity, gas and water		16,613	10,302
Postage, telephone and fax		25,312	26,365
Legal and professional		133,447	109,931
Fee and subscription		21,392	14,128
Security, gardening and sanitation		45,274	39,902
Entertainment		43,311	32,850
Training and seminars		3,004	2,693
Amortization	22.2	1,649	1,896
Depreciation	20.1.4	105,850	110,765
Miscellaneous		110,268	109,063
		2,143,948	1,598,165

37.1 Salaries and other benefits include provident fund contribution of Rupees 32.047 million (2021: Rupees 27.416 million), gratuity and compensated absences amounting to Rupees 13.731 million (2021: Rupees 6.466 million).

37.2 It includes lease payment of Rupees 0.276 million (2021: Rupees 0.132 million) in respect of short term leases.

	Note	2022	2021
		(Rupees in thousand)	

38. OTHER EXPENSES

	Note	2022	2021
Auditor's remuneration	38.1	10,089	9,583
Donations	38.2	15,746	47,214
Workers' profits participation fund	14.2	774,878	432,966
Workers welfare fund		247,007	150,700
Advances / Receivable written off		9,209	18,335
Unrealised loss on re-measurement of futures contracts - shares		4,386	59,915
Unrealised loss on re-measurement of investments at FVTPL		3,436,806	-
Loss on trading in shares futures contracts - net		682,074	-
Duty draw back receivable written off		105,827	-
Sales tax refundable written off		229,575	-
Loss on sale of quoted shares - net		402,079	-
Slow moving stores, spare parts and loose tools written off		78,520	-
Exchange loss - net		-	23,847
Bad debts written off	38.3	159,871	46,355
Allowance for expected credit losses	28.2	102,202	131,654
Miscellaneous		-	21,161
		6,258,269	941,730

38.1 Auditors' remuneration

	2022	2021
Riaz Ahmad and Company		
Audit fee	3,078	2,950
Certifications	320	-
Reimbursable expenses	601	485
	3,999	3,435
KPMG Taseer Hadi and Company		
Audit fee	2,600	2,360
Interim review	650	540
Taxation services	630	2,258
Other certifications	1,440	315
Reimbursable expenses	770	675
	6,090	6,148
	10,089	9,583

	Note	2022	2021
		(Rupees in thousand)	
38.2 Donations for the year have been given to:			
Gulab Devi Chest Hospital, Lahore		6,119	26,688
MAYO Hospital (Baby Incubator)		1,319	-
Dialysis center in AGL hospital		1,000	-
Maple CSR Initiative as per DC Office requirement		-	4,223
Auditorium at Police Public School		-	1,500
Local schools at Daud khel		1,482	-
Road Safety Campaign DPO Mianwali		-	150
Financial assistance for the deceased worker		600	-
Shafaullah		120	-
Beaconhouse National University (Scholarship)		1,358	-
Rescue Office 1122		-	58
Daudkhel Police Station		-	3,500
Daud Khel water supply project		726	72
Housing Colony Water Turbine		-	2,000
Eduljee Dinshaw Road Project Trust		-	150
Miscellaneous		3,022	8,873
		15,746	47,214

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

38.3 The details of defaulting parties out of total export debtors of MLCFL and default (write off) amounts are as follows:

	2022	2021
	(Rupees in thousand)	
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
Haji Mohammad Nader Dawlat Zai Limited	1,300	-
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
	1,300	105

38.3.1 Neither of these parties are related parties.

	Note	2022	2021
		(Rupees in thousand)	

39. OTHER INCOME

Income from financial assets:

	Note	2022	2021
Exchange gain - net		55,375	-
Gain on sale of quoted shares - net		-	1,298,830
Return on bank deposits		53,333	36,510
Long outstanding liabilities written back		-	250
Unrealised gain on re-measurement of investments at FVTPL		-	3,028,424
Gain on redemption of units of mutual funds - net		3	653
Gain on trading in shares futures contracts - net		-	425,001
Interest on debt Instrument		999	-
Return on term deposit receipts		15,847	6,242
Interest on loans to employees		319	398
Dividend income		41,883	177,611
		167,759	4,973,919

Income from non-financial assets:

	Note	2022	2021
Scrap sales		80,481	80,214
Gain on disposal of property, plant and equipment	20.1.3	44,546	2,822
Gain on remeasurement of investment properties	21	-	31,605
Gain on remeasurement of GIDC payable	8	5,424	50,596
Rental income		1,149	-
Gain on sale of stores, spare parts and loose tools		1,625	-
Miscellaneous		30,673	38,632
		163,898	203,869
		331,657	5,177,788

40. FINANCE COST

	Note	2022	2021
Mark-up / finance charges / interest on:			
Long term financing		1,268,161	1,054,636
Short term borrowings		1,146,883	815,979
Unwinding interest - Retention money payable		27,828	25,625
Unwinding of discount on GIDC payable	8	21,660	33,968
Workers' profits participation fund	14.2	496	10,172
Interest on lease liabilities		2,377	-
		2,467,405	1,940,380
Bank charges and commission		166,108	122,093
		2,633,513	2,062,473

	Note	2022	2021
		(Rupees in thousand)	

41. TAXATION

	Note	2022	2021
Current tax:			
- Current year		3,594,133	1,293,969
- Prior year		(813)	(80,641)
		3,593,320	1,213,328
Deferred tax	13	1,421,955	1,427,533
	41.1	5,015,275	2,640,861

41.1 The provision for current tax represents corporate tax on local sales and income from other sources, final tax on export sales, final tax on capital gain, final tax on dividend income and super tax on income calculated as per section 4C of income tax ordinance, 2001. Reconciliation of tax expense and product of accounting profit multiplied by the applicable rate is as follows:

	Note	2022 (Rupees in thousand)	2021
Profit before tax		10,345,661	13,694,496
Tax on profit @ 29% (2021: 29%)		3,000,242	3,971,404
Tax effect of lower rate on certain income / expenses		342,623	(151,667)
Tax effect of exempt income / permanent differences		(599,279)	(1,202,723)
Tax effect of capital loss		314,404	-
Tax effect of change in proportion of local and export sales		849,050	50,556
Tax effect of prior year adjustment		(813)	(80,641)
Tax effect of super tax		1,117,621	-
Others		(8,573)	53,932
		5,015,275	2,640,861

42. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2022	2021
Profit attributable to ordinary shareholders of the Holding Company	(Rupees in thousand)	3,870,593	8,459,564
Weighted average number of ordinary shares	(NUMBERS)	299,296,456	299,296,456
Earnings per share	(RUPEES)	12.93	28.26

	Note	2022	2021
		(Rupees in thousand)	

43. CASH GENERATED FROM OPERATIONS

	Note	2022	2021
Profit before taxation		10,345,661	13,694,496
Adjustment for non-cash charges and other items:			
Depreciation		3,593,136	3,515,690
Amortization		2,389	3,006
Finance cost		2,633,513	2,062,473
Gain on sale of property, plant and equipment		(44,546)	(2,822)
Dividend income		(41,883)	(177,611)
Allowance for expected credit losses		102,202	131,654
Return on term deposit receipts		(15,847)	(6,242)
Gain on remeasurement of investment properties		-	(31,605)
Long outstanding liabilities written back		-	(250)
Gain on remeasurement of GIDC payable		(5,424)	(50,596)
Duty draw back receivable written off		105,827	-
Sales tax refundable written off		229,575	-
Slow moving stores, spare parts and loose tools written off		78,520	-
Unrealized loss on re-measurements of forward contracts - shares		4,386	59,915
Advances written off		9,209	18,335
Bad debts written off		159,871	46,355
Employees' retirement benefits		57,340	42,056
Return on bank deposits		(53,333)	(36,510)
Provision for Workers' profits participation fund		774,878	432,966
Provision for Workers' welfare fund		247,007	150,700
Working capital changes	43.1	(1,041,480)	(7,330,268)
		17,141,001	12,521,742

43.1 Working capital changes

	2022	2021
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(3,530,469)	(1,290,217)
Stock-in-trade	(2,551,011)	1,083,397
Trade debts	(1,795,155)	288,387
Loans and advances	(216,070)	(323,761)
Security deposits and short term prepayments	(335,176)	(52,737)
Short term investments - net	5,386,703	(5,873,892)
Other receivables	191,715	(795,371)
	(2,849,463)	(6,964,194)
Increase / (decrease) in trade and other payables	1,807,983	(366,074)
	(1,041,480)	(7,330,268)

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

	2022				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	(Rupees in thousand)				
Balance as at 01 July 2021	17,548,049	9,080,276	-	58,726	26,687,051
Proceeds from long term financing	11,935,164	-	-	-	11,935,164
Repayment of long term financing	(4,114,055)	-	-	-	(4,114,055)
Lease liability recognized during the year	-	-	44,021	-	44,021
Interest on lease liabilities	-	-	2,377	-	2,377
Lease rentals paid during the year	-	-	(12,425)	-	(12,425)
Short term borrowings - net	-	713,097	-	-	713,097
Dividend declared	-	-	-	598,592	598,592
Dividend paid	-	-	-	(597,115)	(597,115)
Other charges - non-cash movement	(836,578)	-	-	-	(836,578)
Balance as at 30 June 2022	24,532,580	9,793,373	33,973	60,203	34,420,129

	2021			
	Liabilities from financing activities			
	Long term financing	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	2,829,207	-	-	2,829,207
Repayment of long term financing	(419,316)	-	-	(419,316)
Short term borrowings - net	-	(5,135,450)	-	(5,135,450)
Dividend declared	-	-	598,592	598,592
Dividend paid	-	-	(617,688)	(617,688)
Other charges - non-cash movement	(161,183)	-	-	(161,183)
Balance as at 30 June 2021	17,548,049	9,080,276	58,726	26,687,051

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	----------------------(Rupees in Thousand)--------------------							
Managerial remuneration	39,347	32,625	86,613	73,080	55,289	41,363	472,993	395,047
Allowances								
House rent	4,819	7,425	12,952	14,732	2,327	2,954	98,217	104,914
Conveyance	-	-	16,426	1,627	1,188	914	37,254	25,189
Medical	2,963	-	7,321	1,980	4,520	1,362	39,051	17,451
Utilities	5,372	-	11,824	12,286	8,862	8,957	80,393	47,462
Special allowance	-	-	15,739	13,147	10,995	8,511	42,255	34,931
Bonus	-	-	-	-	-	-	202,000	-
Others	-	-	4,321	-	-	-	2,206	23
Contribution to provident fund	2,963	2,475	5,070	4,215	4,203	3,295	35,254	29,783
	55,464	42,525	160,266	121,067	87,384	67,356	1,009,623	654,800
Number of persons	1	1	3	3	3	3	176	154

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 (2021: 7) non-executive directors was Rupees 556,665 (2021: Rupees 664,998).

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

45. TRANSACTIONS WITH RELATED PARTIES

	2022	2021
	(Rupees in thousand)	
Key management personnel		
Remuneration and other benefits	255,683	196,694
Post employment benefit plan		
Contribution to provident fund	285,707	240,813
Contribution to gratuity fund	27,577	36,550

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%] (2021: 73,390,896) and 55,256,992 [18.46%] (2021: 49,639,992) ordinary shares respectively of the Holding Company on which dividend amounting to Rupees 146,781,792 (2021: Rupees 146,781,792) and Rupees 102,054,984 (2021: Rupees 99,279,984) respectively was paid during the year.

TRG Pakistan Limited and Greentree Holdings Limited (incorporated in Bermuda) are the associated companies of the Holding Company due to common directorship. The Holding Company has not entered into any transaction with these associated companies during the year.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

Holding Company

SPINNING:

- Rawalpindi Division	2022	2021
	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	46,931	45,337
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	42,675	41,252
	(NUMBERS)	
Open-end 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 (2021: 1,095 shifts)	6,053	6,037
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	5,288	5,284
	(NUMBERS)	
MVS Spindles (average) installed / worked	384	-

	2022	2021
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,064 shifts (2021: Nil)	3,301	-
Actual production converted into 20s count based on 3 shifts per day for 1,063 shifts (2021: Nil)	3,010	-
- Gujar Khan Division	(NUMBERS)	
Ring 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 (2021: 1,095 shifts)	41,986	41,944
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2021: 1,094 shifts)	37,738	37,773
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 (2021: 1,095 shifts)	116,566	116,566
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	109,516	98,283
PROCESSING OF CLOTH :		
- Rawalpindi Division	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2021: 1,095 shifts)	15,162	17,525
POWER PLANT:		
- Rawalpindi Division	(MEGA WATTS)	
Annual rated capacity based on 365 days (2021: 365 days)	241,706	241,706
Actual generation		
Furnace engines	20,400	31,862
Gas engines	34,536	21,257
Solar	7,035	7,129
- Raiwind Division		
Annual rated capacity based on 365 days (2021: 365 days)	96,360	96,360
Actual generation	18,557	30,221

		2022	2021
- Gujar Khan Division		(MEGA WATTS)	
Annual rated capacity based on 365 days (2021: 365 days)		36,744	1,584
Actual generation - solar		6,224	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.

		2022	2021
		(METRIC TONS IN THOUSAND)	
Subsidiary Company - MLCFL			
CEMENT:			
Clinker:			
Annual rated capacity (Based on 300 days)	46.1	5,700	5,585
Annual production for the year		4,529	4,882

46.1 The capacity as disclosed in these consolidated financial statements is worked out based on 300 working days. Increase in capacity during the year as compared to last year was due to additional capacity available from line III from April 2021. During the last 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. MLCFL had aggregate clinker / cement production capacity of 18,500 tons per day until April 2021 and 19,000 tons per day after April 2021. Further, actual production is based on actual demand of cement during the year.

	2022	2021
Subsidiary Company - MLPL		
POWER PLANT:	(MEGA WATTS)	
Annual rated capacity based on 330 days (2021: 330 days)	316,800	316,800
Actual generation	265,494	302,017

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality.

- Cloth processing units working capacity was limited to actual export / local orders in hand.

- The generation of power was limited to actual demand.

- Actual production of cement is based on actual demand during the year.

47. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)															
REVENUE:																
EXTERNAL	21,429,627	14,463,555	8,017,267	5,339,479	10,111,390	10,152,491	48,418,281	35,495,213	-	-	-	-	-	-	87,976,565	65,450,738
INTER-SEGMENT	412,158	806,245	1,238,073	1,531,164	6,174	7,764	101,341	144,968	-	-	5,252,091	4,236,412	(7,009,837)	(6,726,553)	-	-
	21,841,785	15,269,800	9,255,340	6,870,643	10,117,564	10,160,255	48,519,622	35,640,181	-	-	5,252,091	4,236,412	(7,009,837)	(6,726,553)	87,976,565	65,450,738
COST OF SALES	(15,078,921)	(11,661,101)	(8,048,509)	(6,070,009)	(7,918,002)	(8,436,960)	(35,488,331)	(27,446,617)	-	-	(4,324,351)	(3,109,406)	7,009,837	6,726,553	(63,848,277)	(49,997,540)
GROSS PROFIT	6,762,864	3,608,699	1,206,831	800,634	2,199,562	1,723,295	13,031,291	8,193,564	-	-	927,740	1,127,006	-	-	24,128,288	15,453,198
DISTRIBUTION COST	(66,099)	(44,737)	(278,075)	(133,372)	(1,250,504)	(1,040,281)	(1,483,876)	(1,115,732)	-	-	-	-	-	-	(3,078,554)	(2,334,122)
ADMINISTRATIVE EXPENSES	(323,335)	(267,920)	(174,641)	(148,429)	(249,244)	(226,774)	(956,153)	(789,006)	(434,555)	(159,360)	(6,020)	(6,676)	-	-	(2,143,948)	(1,598,165)
	(389,434)	(312,657)	(452,716)	(281,801)	(1,499,748)	(1,267,055)	(2,440,029)	(1,904,738)	(434,555)	(159,360)	(6,020)	(6,676)	-	-	(5,222,502)	(3,932,287)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	6,373,430	3,296,042	754,115	518,833	699,814	456,240	10,591,262	6,288,826	(434,555)	(159,360)	921,720	1,120,330	-	-	18,905,786	11,520,911
UNALLOCATED INCOME AND EXPENSES:																
FINANCE COST															(2,633,513)	(2,062,473)
OTHER EXPENSES															(6,258,269)	(941,730)
OTHER INCOME															331,657	5,177,788
TAXATION															(5,015,275)	(2,640,861)
															(13,575,400)	(467,276)
PROFIT AFTER TAXATION															5,330,386	11,053,635

47.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)													
TOTAL ASSETS FOR REPORTABLE SEGMENT	11,264,265	6,987,209	5,651,477	3,619,156	10,043,220	5,555,619	73,937,861	57,278,959	4,518,989	10,283,997	5,358,462	5,435,850	110,774,274	89,160,790
UNALLOCATED ASSETS													1,221,149	6,058,360
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION													111,995,423	95,219,150

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

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	5,210,763	3,581,834	1,092,762	781,283	5,496,385	6,089,278	24,848,996	16,273,777	1,039,323	1,755,580	-	30,624	37,688,229	28,512,376
UNALLOCATED LIABILITIES													17,426,554	14,066,259
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION													55,114,783	42,578,635

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

47.2 Geographical Information

47.2.1 The Groups' revenue from external customers by geographical location is detailed in note 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 3,636 million (2021: Rupees 1,462 million) whereas in the Processing and Home Textile segment was Rupees 5,117 million (2021: Rupees 4,301 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

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

	2022	2021
Number of employees as on 30 June	7,254	6,977
Average number of employees during the year	7,096	6,968

50. FINANCIAL RISK MANAGEMENT

50.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors. The Group's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, GBP, AED and RMB. Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2022	2021
	(Rupees in thousand)	
Cash at banks - USD	192	146
Cash at banks - GBP	2	2
Trade debts - USD	8,657	9,364
Trade debts - Euro	16	421
Trade and other payables - USD	241	4,151
Trade and other payables - AED	22	-
Trade and other payables - Euro	47	33
Trade and other payables - RMB	487	45
Outstanding letters of credit - USD	1,767	393
Outstanding letters of credit - Euro	864	107
Outstanding letters of credit - RMB	109,402	-
Net exposure - USD	6,842	4,966
Net exposure - Euro	(895)	281
Net exposure - AED	(22)	-
Net exposure - GBP	2	2
Net exposure - RMB	(109,889)	(45)

The following significant exchange rates were applied during the year:

	2022	2021
Rupees per US Dollar		
Average rate	178.56	160.22
Reporting date rate	205.50	157.80
Rupees per Euro		
Average rate	200.86	188.53
Reporting date rate	215.23	188.12
Rupees per AED		
Average rate	48.46	-
Reporting date rate	56.48	-
Rupees per GBP		
Average rate	236.36	217.00
Reporting date rate	249.31	218.58
Rupees per RMB		
Average rate	27.57	24.41
Reporting date rate	30.93	24.76

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, EURO, AED, GBP and RMB with all other variables held constant, the impact on profit before taxation for the year would have been Rupees 66.783 million, Rupees 9.153 million, Rupees 0.059 million, Rupees 0.024 million and Rupees 161.446 million (2021: Rupees 36.486 million, Rupees 2.471 million, Rupees Nil, Rupees 0.021 million and Rupees 0.053 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	
	2022	2021
	(Rupees in thousand)	
PSX 100 (5% increase)	178,957	410,831
PSX 100 (5% decrease)	(178,957)	(410,831)

The Group's investment in mutual fund amounting to Rupees 1.329 million (2021: Rupees 1.596 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2022, if fair value (NAV) had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been higher / lower by Rupees 0.011 million (2021: Rupees 0.013 million).

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from long term financing and short term borrowings, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2022	2021
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipt	612,113	230,290
Financial liabilities		
Long term financing	9,110,765	5,459,278
Short term borrowings	4,278,931	4,519,777
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	561,695	407,216
Financial liabilities		
Long term financing	15,421,815	12,088,774
Short term borrowings	5,476,676	4,554,780

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 132.594 million (2021: Rupees 114.301 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:

	2022	2021
	(Rupees in thousand)	
Investments	5,031,005	10,224,355
Deposits	652,450	347,240
Trade debts	6,480,200	4,947,118
Other receivables	94,402	304,618
Loans and advances	67,694	40,733
Bank balances	1,155,312	837,220
	13,481,063	16,701,284

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			2022	2021
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	15,607	15,207
Allied Bank Limited	A1+	AAA	PACRA	75,180	8,919
Askari Bank Limited	A1+	AA+	PACRA	19,138	17,829
Bank Alfalah Limited	A1+	AA+	PACRA	23,749	14,877
Bank Al-Habib Limited	A1+	AAA	PACRA	159,237	161,388
Bank Islami Pakistan Limited	A1	A+	PACRA	13,523	13,356
Faysal Bank Limited	A1+	AA	PACRA	4,781	2,017
Habib Bank Limited	A-1+	AAA	JCR-VIS	202,212	67,495
MCB Bank Limited	A1+	AAA	PACRA	324,270	217,983
Meezan Bank Limited	A-1+	AA+	JCR-VIS	57,501	42,163
National Bank of Pakistan	A1+	AAA	PACRA	34,303	49,744
MCB Islamic Bank Limited	A1	A	PACRA	105,132	119,321
Silkbank Limited	A-2	A-	JCR-VIS	61	60
The Bank of Punjab	A1+	AA+	PACRA	28,127	24,274
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	33,853	31,034
United Bank Limited	A-1+	AAA	JCR-VIS	42,438	41,233
FINCA Microfinance Bank Limited	A1	A	PACRA	5,084	1,873
NRSP Microfinance Bank Limited	A1	A	PACRA	148	140
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	2,580	2,580
Samba Bank Limited	A-1	AA	JCR-VIS	3,844	1,278
Soneri Bank Limited	A1+	AA-	PACRA	102	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,820	3,423
Summit Bank Limited	A3	BBB-	JCR-VIS	25	25
The Bank of Khyber	A1	A	PACRA	1,597	-
U Micro finance Bank Limited	A1	A	JCR-VIS	-	899
				1,155,312	837,220
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	336,969	133,866
The Bank of Khyber - term deposit receipts	A1	A	PACRA	81,197	-
MCB Bank Limited - term deposit receipt	A1+	AAA	PACRA	13,999	-
JS Bank Limited - term deposit receipt	A1+	AA-	PACRA	6,997	-
The Bank of Punjab - term deposit receipts	A1+	AA+	PACRA	172,951	96,424
				612,113	230,290

Due to the Group's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

Trade debts

The Group's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 28.2.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2022 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 2022 and 30 June 2021 was determined as follows:

Holding Company

At 30 June 2022

	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%	338,373	-	0.00%	-	-
Up to 30 days	18.35%	415,765	76,295	0.00%	-	-
31 to 60 days	17.06%	87,232	14,878	0.00%	-	-
61 to 90 days	27.88%	69,875	19,480	0.00%	-	-
91 to 180 days	44.52%	11,429	5,088	0.00%	-	-
181 to 360 days	50.58%	538	272	0.00%	-	-
Above 360 days	100.00%	9,028	9,028	0.00%	-	-
		932,240	125,041		-	-
Trade debts which are not subject to risk of default		1,933,110	-		1,673,679	-
		2,865,350	125,041		1,673,679	-

At 30 June 2022

	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	-

The Group has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables and dividend receivable. Management has assessed that there is no impairment loss in respect of these financial assets of the Group and these are recoverable in full.

Subsidiary Company - Maple Leaf Cement Factory Limited

At 30 June 2022

	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	0.36%	1,315,570	4,687	0.00%	26,995	-
1 to 90 days	0.35%	568,615	1,985	0.00%	-	-
91 to 180 days	4.32%	83,753	3,616	0.00%	-	-
181 - 270 days	9.93%	72,081	7,156	0.00%	-	-
271 - 365 days	17.15%	16,419	2,816	0.00%	-	-
Above 365 days	90.74%	32,828	29,789	0.00%	-	-
		2,089,266	50,049		26,995	-

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	1,825	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	293,392		7,669	-

Subsidiary Company - Maple Leaf Capital Limited

At 30 June 2022

	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%	-	-	0.00%	-	-

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	

At 30 June 2021

Not past due	0.00%	685	-	0.00%	-	-

(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 2022, the Group had Rupees 21,756 million (2021: Rupees 25,972 million) available borrowing limits from financial institutions and Rupees 1,161.658 million (2021: Rupees 844.039 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 2022.

Holding Company

	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	5,164,912	5,683,002	623,064	383,199	1,000,542	3,676,197
Trade and other payables	1,892,011	1,892,011	1,892,011	-	-	-
Accrued mark-up	108,158	108,158	108,158	-	-	-
Short term borrowings	5,234,795	5,326,561	5,108,625	217,936	-	-
Unclaimed dividend	32,634	32,634	32,634	-	-	-
	12,432,510	13,042,366	7,764,492	601,135	1,000,542	3,676,197

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	19,367,668	29,694,914	5,279,292	19,257,595	5,158,027
Long term deposits	8,214	8,214	-	8,214	-
Liability against right of use asset	33,973	60,777	9,138	19,715	31,924
Trade and other payables	5,982,440	5,982,440	5,982,440	-	-
Unclaimed dividend	27,569	27,569	27,569	-	-
Accrued mark-up	632,836	632,836	632,836	-	-
Short term borrowings	3,572,073	3,572,073	3,572,073	-	-
	29,624,773	39,978,823	15,503,348	19,285,524	5,189,951

Subsidiary Company
Maple Leaf Power Limited

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 3 years	3 years and above
	---------------- (Rupees in thousand) ----------------				
Non derivative financial liabilities:					
Trade and other payables	63,938	63,938	63,938	-	-

Subsidiary Company Maple Leaf Capital 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:					
Trade and other payables	140,710	140,710	10,032	63,750	63,750
Accrued Mark-up	24,935	24,935	24,935	-	-
Short term borrowings	986,505	1,008,998	1,008,998	-	-
	1,152,150	1,174,643	1,043,965	63,750	63,750
Derivative financial liabilities:					
Unrealised loss on re-measurement of futures contracts - shares	4,386	4,386	4,386	-	-

Contractual maturities of financial liabilities as at 30 June 2021

Holding Company	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	4,206,688	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	-	-	-
	11,545,286	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	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 3 years	3 years and above
	---------------- (Rupees in thousand) ----------------				
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	Carrying amount	Contractual cash flows	6 months or less	6-12 months	3 years and above
	---------------- (Rupees in thousand) ----------------				
Non derivative financial liabilities:					
Trade and other payables	47,318	47,318	47,318	-	-
Accrued liabilities	33,449	33,449	33,449	-	-
Accrued Mark-up	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	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 16 to these consolidated financial statements.

50.2 Financial instruments by categories

	2022				2021			
	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	(Rupees in thousand)							
Financial assets								
Investments	612,113	4,096,150	322,742	5,031,005	230,290	9,836,655	157,410	10,224,355
Deposits	652,450	-	-	652,450	347,240	-	-	347,240
Trade debts	6,480,200	-	-	6,480,200	4,947,118	-	-	4,947,118
Other receivables	94,402	-	-	94,402	304,618	-	-	304,618
Loans and advances	67,694	-	-	67,694	40,733	-	-	40,733
Cash and bank balances	1,161,658	-	-	1,161,658	844,039	-	-	844,039
9,068,517	4,096,150	322,742	13,487,409	6,714,038	9,836,655	157,410	16,708,103	
Financial liabilities								
Long term financing	24,532,580	-	-	24,532,580	17,548,049	-	-	17,548,049
Long term deposits	8,214	-	-	8,214	8,214	-	-	8,214
Liability against right of use asset	33,973	-	-	33,973	-	-	-	-
Retention money payable	-	-	-	-	391,694	-	-	391,694
Short term borrowings	9,793,373	-	-	9,793,373	9,080,276	-	-	9,080,276
Trade and other payables	8,074,713	4,386	-	8,079,099	6,340,453	59,915	-	6,400,368
Accrued mark-up	764,694	-	-	764,694	338,631	-	-	338,631
Unclaimed dividend	60,203	-	-	60,203	58,726	-	-	58,726
43,267,750	4,386	-	43,272,136	33,766,043	59,915	-	33,825,958	

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

	2022			2021		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----- RUPEES IN THOUSAND -----			----- RUPEES IN THOUSAND -----		
Assets as per statement of financial position						
Trade debts	6,480,200	-	6,480,200	4,947,118	-	4,947,118
Investments	5,031,005	-	5,031,005	10,224,355	-	10,224,355
Deposits	652,450	-	652,450	347,240	-	347,240
Loans and advances	67,694	1,262,907	1,330,601	40,733	1,080,645	1,121,378
Other receivables	94,402	968,672	1,063,074	304,618	1,285,600	1,590,218
Cash and bank balances	1,161,658	-	1,161,658	844,039	-	844,039
	13,487,409	2,231,579	15,718,988	16,708,103	2,366,245	19,074,348

	2022			2021		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----- RUPEES IN THOUSAND -----			----- RUPEES IN THOUSAND -----		
Liabilities as per statement of financial position						
Long term financing	24,532,580	-	24,532,580	17,548,049	-	17,548,049
Long term deposits	8,214	-	8,214	8,214	-	8,214
Liability against right of use asset	33,973	-	33,973			
Retention money payable	-	-	-	391,694	-	391,694
Short term borrowings	9,793,373	-	9,793,373	9,080,276	-	9,080,276
Trade and other payables	8,079,099	4,287,941	12,367,040	6,400,368	3,846,183	10,246,551
Accrued mark-up	764,694	-	764,694	338,631	-	338,631
Unclaimed dividend	60,203	-	60,203	58,726	-	58,726
	43,272,136	4,287,941	47,560,077	33,825,958	3,846,183	37,672,141

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 16 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Group's strategy, remain unchanged from the last year.

	2022	2021
	(Rupees in thousand)	
Borrowings	34,325,953	26,628,325
Total equity	56,880,640	52,640,515
Total capital employed	91,206,593	79,268,840
Gearing ratio	37.64%	33.59%

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

51. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classify its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2022	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	4,096,150	-	-	4,096,150
Total financial assets	4,096,150	-	-	4,096,150
Financial liabilities				
Unrealized loss on re-measurement of futures contracts - shares	4,386	-	-	4,386
Total financial liabilities	4,386	-	-	4,386

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Recurring share value measurements				
Financial assets				
Financial assets at fair value through profit or loss	9,836,655	-	-	9,836,655
Total financial assets	9,836,655	-	-	9,836,655
Financial liabilities				
Unrealized loss on re-measurement of futures contracts - shares	59,915	-	-	59,915
Total financial liabilities	59,915	-	-	59,915

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

52. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 30 June 2022	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Investment properties-land & building	-	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-land & building	-	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 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.

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 2022, 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 last revalued by Arif Evaluators, an independent valuer approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2020.

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

53. INTEREST IN OTHER ENTITIES

The Group's principal subsidiaries as at 30 June 2022 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
		2022	2021	2022	2021	
Maple Leaf Cement Factory Limited	Pakistan	56.12%	56.12%	43.88%	43.88%	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%	56.12%	43.88%	43.88%	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	
	2022	2021	2022	2021	2022	2021
	------------------------------ (Rupees in thousand)					
Summarized statement of financial position						
Current assets	20,321,989	16,923,416	4,516,670	10,681,436	795,701	562,385
Current liabilities	16,193,391	11,449,448	1,189,815	1,863,499	658,730	571,337
Current net assets	4,128,598	5,473,968	3,326,855	8,817,937	136,971	(8,952)
Non-current assets	61,892,221	49,315,862	508,900	167,555	6,695,357	5,934,690
Non-current liabilities	25,461,804	17,247,289	-	435,560	31,244	41,633
Non-current net assets	36,430,417	32,068,573	508,900	(268,005)	6,664,113	5,893,057
Net assets	40,559,015	37,542,541	3,835,755	8,549,932	6,801,084	5,884,105
Summarized statement of comprehensive income						
Revenue	48,519,622	35,538,301	(4,711,007)	5,013,141	5,252,091	4,236,412
Profit / (loss) for the year	3,626,340	6,254,109	(4,717,768)	4,119,033	916,020	1,152,701
Other comprehensive (loss) / income	1,169	(19,624)	3,591	-	-	(3,339)
Profit / (loss) allocated to NCI	1,591,238	2,744,303	(805,795)	703,531	401,950	505,805
Dividend paid to NCI	-	-	-	-	-	-
Summarized statement of cash flows						
Cash generated from / (used in) operating activities	8,334,083	6,551,967	690,626	(2,190,488)	997,353	1,815,208
Cash generated from / (used in) investing activities	(15,819,320)	251,007	(137,544)	535,697	(954,687)	2,239,638
Cash (used in) / from financing activities	6,601,516	(6,732,688)	(611,119)	1,597,625	-	(3,878,469)
Net increase / (decrease) in cash and cash equivalents	(883,721)	70,286	(58,037)	(57,166)	42,666	176,377

54. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	2022	2021
	(Rupees in thousand)	
Holding Company		
Loans / advances obtained as per Islamic mode:		
Contract liabilities	140,743	139,822
Shariah compliant bank deposits / bank balances		
Bank balances	140,776	84,588
Profit earned from shariah compliant bank deposits / bank balances	5,075	3,847
Dividend earned from shariah compliant investments	22,331	-
Exchange gain earned	310,646	-
Revenue earned from shariah compliant business	39,558,284	29,955,525
Profits earned or interest paid on any conventional loan / advance		
Interest income on loans and advances to Maple Leaf Capital Limited	7,088	-
Profit earned on deposits with banks	19,601	10,281
Return on investments	15,847	6,242
Interest paid on loans	681,246	565,409
Short term borrowing from Maple Leaf Capital Limited	-	2,004

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

Description	2022	2021
Subsidiary company (MLCFL)		
Loans / advances obtained as per Islamic mode:		
Loans	2,494,425	1,270,834
Contract liabilities	345,495	250,491
Shariah compliant bank deposits / bank balances		
Bank balances	28,980	19,254
Profit earned from shariah compliant bank deposits / bank balances	640	2,764
Revenue earned from shariah compliant business	48,519,622	35,538,301
Exchange gain earned	-	95,981
Mark-up paid on islamic mode of financing	125,171	308,000
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	22,751	14,585
Interest paid on loans	1,420,608	894,855

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
Faysal Bank Limited	Financing

Description	2022	2021
	(Rupees in thousand)	
Subsidiary company (MLPL)		
Loans / advances obtained as per Islamic mode:		
Contract liabilities	-	74
Exchange gain earned	-	3,413
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	1,207	1,371
Interest paid on loans	20,489	29,986
Subsidiary company (MLCL)		
Shariah compliant bank deposits / bank balances		
Bank balances	30,382	90,690
Profit earned from shariah compliant bank deposits / bank balances	3,620	3,479
Gain / (loss) or dividend earned from shariah compliant investments		
Realized (loss) / gain on disposal of quoted shares - net	(402,079)	1,298,830
Dividend income	19,552	177,611
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	439	183
Interest paid on loans	167,530	72,365

Relationship with shariah compliant banks

Name	Relationship at reporting date
MCB Islamic Bank Limited	Bank balance

55. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2022	2021	2022	2021
	------- (Rupees in thousand) ------			
Total facilities	16,433,754	14,516,500	57,041,921	52,755,417
Utilized at the end of the year	7,427,199	5,730,610	35,285,948	26,783,789
Unutilized at the end of the year	9,006,555	8,785,890	21,755,973	25,971,628

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 02 September 2022 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 02 September 2022 has proposed a final cash dividend of Rupees Nil per share (0%) amounting to Rupees Nil (2021: Rupees 299.296 million) for the year ended 30 June 2022 for approval of the members at the Annual General Meeting to be held on 27 October 2022. The consolidated financial statements for the year ended 30 June 2022 do not include the effect of the proposed final cash dividend which will be accounted for in the period ending 30 June 2023.

58. CORRESPONDING FIGURES

No significant rearrangements / reclassifications of corresponding figures have been made.

59. GENERAL

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

KTM
Kohinoor Textile Mills Limited

BCR CRITERIA

No.	BCR criteria Index	Reference
1	"Organizational Overview and External Environment What does the organization do and circumstances under which it operates"	
1.01	Principal business activities and markets (local and international) including key brands, products and services.	Page - 08
1.02	Geographical location and address of all business units including sales units and plants.	Page - 21
1.03	Mission, vision, code of conduct, culture, ethics and values.	Page - 14 to 17 & Page 28
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Also name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	Page - 18
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	Page - 20
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization. (The key elements of business model are Inputs, Business activities, Outputs and Outcomes).	Page - 23 & Page 64 to 65
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain. (This disclosure shall be provided by the companies in service and non-service sector organizations through graphical presentation).	Page - 22 (Value chain analysis) & Page - 27 (Position in value chain)
1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social, technological, environmental and legal environment).	"Page - 24 (Factors affecting external environment) Page-23 (Effect of seasonality on business)"
1.09	The legitimate needs, interests of key stakeholders and industry trends.	Page - 29
1.10	SWOT Analysis of the company.	Page - 26
1.11	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	Page - 22 (Customer landscaping and market positioning)
1.12	The legislative and regulatory environment in which the organization operates.	Page - 29
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	Page - 29
1.14	Significant changes from prior years (regarding the information disclosed in this section).	Page - 29
1.15	History of major events.	Page - 74 to 79
1.16	Details of significant events occurred during the year and after the reporting period.	Page - 28
2	**"Strategy and Resource Allocation Where does the organization want to go and how does it intend to get there"**	
2.01	Short, medium and long term strategic objectives.	Page - 32
2.02	Strategies in place or intended to be implemented to achieve the strategic objectives.	Page - 34
2.03	"Resource allocation plans to implement the strategy and financial capital structure. Resource mean CAPITALS including: a. financial capital (e.g. liquidity, cash flows, financing arrangements); human capital; b. manufactured capital (e.g. building, equipment, infrastructure); c. intellectual capital (e.g. patents, copyrights, software, licenses, knowledge, system, procedures); d. human capital; e. social and relationship capital; and f. natural capital. Explanation: Disclosures about the capitals should include the factors that affect the availability, quality and affordability of relevant capitals and the organization's expectations of its ability to produce flows from them to meet future demand. Demonstrating the connectivity of financial performance with performance and outcomes regarding the other capitals & how the organization's strategy and resource allocation plans affect key capitals and risk management arrangements related to them should be included under capital reporting."	Page - 36
2.04	Key resources and capabilities of the company which provide sustainable competitive advantage.	Page - 40

2.05	Value created by the business, and for whom, using these resources and capabilities.	Page - 41
2.06	2.06 The effect of technological change, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems, environmental challenges, such as climate change, the loss of ecosystems, and resource shortages on the company strategy and resource allocation.	Page - 35
2.07	2.07 Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	Page - 35 (Specific processes used), Page - 44 (Risk management) & Page 28 (Code of Busines conduct & ethical principles)
2.08	2.08 Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	Page - 38
2.09	"Board's statement on the following: a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of operations; b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc."	Page - 39 (Significant Plans), Page - 102 (Directors' Report - Business rationale)
2.10	Significant changes in objectives and strategies from prior years.	Page - 35
3	"Risks and Opportunities Specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how it is dealing with them"	
3.01	Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term.	Page - 46
3.02	Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company.	Page - 44
3.03	Sources of risks and opportunities (internal and external).	Page - 49 to 50 (Corporate objectives, risks and mitigation strategies)
3.04	The initiatives taken by the company in promoting and enabling innovation.	Page - 52
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	Page - 49 to 50 (Corporate objectives, risks and mitigation strategies)
3.06	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	Page - 49 to 50 (Corporate objectives, risks and mitigation strategies)
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	Page - 53 (Board's efforts) & Page - 46 (objectives)
3.08	Statement from the board that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	Page - 53 (Board's efforts) & Page - 102 (Directors' Report - Principle risks and uncertainties)
3.09	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	Page - 53
3.10	Inadequacy in the capital structure and plans to address such inadequacy.	Page - 53
4	**Sustainability and Corporate Social Responsibility**	
4.01	"Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including: a) environment related obligation applicable on the company; b) company progress towards environmental, social and & governance initiatives during the year; and c) company's responsibility towards the staff, health & safety."	Page - 64 to 68
4.02	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	Page - 59 to 63
4.03	Certifications acquired and international standards adopted for best sustainability and CSR practices.	Page - 70 to 73

5	"Governance How does the organization„s governance structure support its ability to create value in the short, medium and long term"	
5.01	"Board composition: a) Leadership structure of those charged with governance."	Page - 106
	b) Name of independent directors indicating justification for their independence.	Page - 106 (Name of Directors) & page 120 to 121 (Brief profile of Directors)
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	Page 118 to 121 (Brief profile of Directors)
	d) Profile of each director including education, experience and involvement / engagement of in other entities as CEO, Director, CFO or Trustee etc.	Page 118 to 121 (Brief profile of Directors)
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	Page 118 to 121 (Brief profile of Directors)
5.02	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	Page - 98
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	Page - 124 (Mattes decided by the Board & Matters Delegated to the management)
5.04	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	Page - 134
5.05	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	Page - 134 (Evaluation criteria of Board performance)
5.06	Details of formal orientation courses for directors.	Page - 110 (Point 9)
5.07	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	Page - 110 (Point 9)
5.08	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	Page - 104 & Page - 71 (Certification on internal controls & systems)
5.09	a) Approved policy for related party transactions.	Page - 122
	b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	Page - 96 to 97 & Page 254 (Note 37)
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	Page - 97
	d) Disclosure of director's interest in related party transactions.	Page - 97
	e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	Page - 135
5.10	Disclosure of Board's Policy on the following significant matters:	(a) Page - 136 (b) Page - 141 (c) Page - 136 (d) Page - 108 (e) Page - 127 (f) Page - 127 (g) Page - 106 (Directors & Board Meetings) (h) Page - 140 (i) Page - 141 (j) Page - 159 (k) Page - 135 (l) Page - 136 (m) Page - 141 & Page 116 (n) Page - 136 (o) Page - 138

	a) Governance of risk and internal controls.	
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	
	c) Disclosure of director's interest in significant contracts and arrangements.	
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	
	f) Security clearance of foreign directors.	
	g) Board meetings held outside Pakistan.	
	h) Human resource management including preparation of succession plan.	
	i) Social and environmental responsibility.	
	j) Communication with stakeholders.	
	k) Investors' relationship and grievances.	
	l) Employee health, safety and protection.	
	m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	
	n) Safety of records of the company.	
	o) Providing reasonable opportunity to the shareholder for participation in the AGM.	
5.11	Board review statement of the organization's business continuity plan or disaster recovery plan.	Page - 134
5.12	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	Page - 18 (Group structure)
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	Page - 110
5.14	A brief description about role of the Chairman and the CEO.	Page - 124
5.15	Shares held by Sponsors / Directors / Executives.	Page - 271 (Note-2.3 Categories of shareholders) Page - 122 (Trade of Company's shares)
5.16	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	"Page - 112 (Composition of board committees) Page - 128 (Terms of Reference of Board Committees) Page - 114 (Frequency of meetings)"
5.17	"Timely Communication: Date of authorization of financial statements by the board of directors: within 40 days ---6 marks within 60 days ---3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee)."	Page - 268: Note 47
5.18	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	Page - 116 (Report of the Audit Committee)
	a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee.	
	b) Role of the committee in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed with details where particular attention was paid in this regard.	

	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	
	d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	
	e) 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 recommended instituting remedial and mitigating measures.	
	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current statutory auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information for shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	
5.19	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	Page - 108 (Audit Committee)
5.20	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	
	a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;	Page - 138
	b) management support in the effective implementation and continuous updation;	Page - 138
	c) details about user training of ERP software;	Page - 140
	d) how the company manages risks or control risk factors on ERP projects;	Page - 140
	e) how the company assesses system security, access to sensitive data and segregation of duties.	Page - 140
5.21	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	N/A
5.22	Chairman's significant commitments and any changes thereto.	Page - 124 (Chairman's significant commitments)
5.23	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	Page - 104
5.24	How the organization's implemented governance practices have been exceeding legal requirements.	Page - 126
6	**"Analysis of the Financial Information To what extent has the organization achieved its strategic objectives for the period"**	
6.01	"Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: (a) Past and current performance; (b) Performance against targets /budget; and (c) Objectives to assess stewardship of management. The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits."	"Page - 172 (Past and current performance; performance against targets/budget) Page - 194 & 195 (Non-financial KPIs) & Page 199"
6.02	"Analysis of financial ratios (Annexure I) (this includes marks of ratios for Shariah compliant companies and companies listed on Islamic indices)"	Page 190 to 194

6.03	"Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years."	Page - 183 to 187 & Page 195
6.04	Graphical presentation of 6.02 and 6.03 above.	Page 184 (Horizontal analysis) Page 186 (Vertical Analysis) Page 195 (Cash Flows) Page 190 to 194 (Ratios)
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	"Page-180 (Analysis of variation in interim and final accounts) Page-187 (P/L Vertical analysis - comments on financial performance of current year against previous year)"
6.06	Any significant change in accounting policies, judgements, estimates and assumptions with rationale.	N/A
6.07	Information about defaults in payment of any debts and reasons thereof period.	Page - 102 (Default of repayments, debt/loan etc.)
6.08	Methods and assumptions used in compiling the indicators.	Page - 199
6.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Page - 178
6.10	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	Page - 172 & 174 (Segmental review of business performance) & Page - 257 (Note-39)
6.11	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	Page - 176 (Share price sensitivity analysis)
	b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	Page - 175
6.12	"Brief description and reasons: a) for not declaring dividend despite earning profits and future prospects of dividend. b) where any payment on account of taxes, duties, levies etc. is overdue or outstanding."	Page -101 (Dividend and Appropriations) Page - 102 (Default of repayments, debt/loan etc.)
6.13	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	N/A
7	**"Disclosures on IT Governance and Cybersecurity How the Board evaluate the company„s IT governance and cybersecurity risk and how the Board manages those risks that threaten the company„s operation"**	
7.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	Page - 147
7.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	Page - 147
7.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	Page - 147
7.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	Page - 147
7.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	Page - 147
7.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	Page - 148

7.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	Page - 148
7.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	Page - 148
7.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	Page - 148
	"Explanatory Note Companies are recommended to assess the risks related to the potential theft or compromise of their technology, data or intellectual property in connection with their operations, as well as how the recognition of these risks may impact their business, including their financial condition and results of operations, and any effects on their reputation, stock price and long-term value. Where these risks are material to investment and voting decisions, they should be disclosed, and we encourage companies to provide disclosure that allows investors to evaluate these risks through the eyes of management. Please note that disclosure about these risks should be specifically fit to a company's unique facts and circumstances. We trust that corporations should continue to consider this growing area of risk and evaluate its materiality on an ongoing basis. Further, the Company should not make such detailed disclosures that could compromise its cybersecurity efforts – for example, by providing a "roadmap or product details" for those who seek to penetrate a company's security protections. However, companies should disclose IT governance and cybersecurity risks and incidents that are material to investors, including the associated financial, legal, or reputational consequences, if any."	
8	**"Future Outlook Challenges and uncertainties that the organization is likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance"**	
8.01	Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	Page - 152
8.02	Explanation of the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	Page - 152 & Page 24
8.03	Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year.	Page - 153 (Analysis of prior year forward looking disclosure)
8.04	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	Page - 153 (Status of current and previous projects)
8.05	Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant.	Page - 152 & 153
8.06	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	Page-152 (Response towards challenges and uncertainties)
9	**"Stakeholders Relationship and Engagement State of key stakeholder relationships and how the organization has responded to key stakeholders,, legitimate needs and interests"**	
9.01	"Stakeholders engagement policy of the company and how the company has identified its stakeholders."	Page - 158
9.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees and g) Analysts.	"Page - 158 & 159 (Policy & procedure for stakeholders engagement) Page - 159 (Engagement frequency)"
9.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	Page - 160
9.04	Investors' Relations section on the corporate website.	Page - 161

9.05	Issues raised in the last AGM, decisions taken and their implementation status.	Page - 122
9.06	"Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business."	Page - 181 & 182
9.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	"Page - 158 & 159 (Policy & procedure for stakeholders engagement) Page - 158 (Board's interaction with major shareholders) Page - 161 (Significant corprate briefing sessions)"
9.08	Highlights about redressal of investors' complaints.	Page - 161
10	**"Business Model Business model is a system of transforming inputs, through business activities, into outputs and outcomes that aims to ful l the organization„s strategic purposes and create value over the short, medium and long term"**	
10.01	10.01 Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework (IR Framework).	Page 164 to 165
11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	Page - 169
11.02	Adoption of IR Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' in the IR Framework.	Page - 168
11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	Page - 375
11.04	Disclosures beyond BCR criteria (The participating organization to send the list of additional disclosures to BCR Committee).	N/A
12	**Speci c Disclosures of the Financial Statements**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Annex - II of this checklist
12.02	Shariah compliant companies/ companies listed on the Islamic Indices (Annexure III).	Annex - III of this checklist
13	**Assessment based on Qualitative Factors**	
13.01	Please refer (Annexure IV).	Annex - IV of this checklist
14	**Industry Speci c Disclosures (if applicable)**	
a)	Disclosures required for Banking Company (Annexure V).	N/A
b)	Disclosures required for Insurance Company (Annexure VI).	N/A
c)	Disclosures required for Exploration and Production (E&P) Company (Annexure VII).	N/A
Annexure I - Financial Ratios (refer section 6 of the criteria)		
Non-Financial Sector		
Pro tability Ratios		
a)	Gross Profit ratio	Page - 190
b)	Net Profit to Sales	Page - 190
c)	EBITDA Margin to Sales	Page - 190
d)	Operating leverage ratio	Page - 190
e)	Return on Equity	Page - 190
f)	Return on Capital employed	Page - 190
g)	Shareholders' Funds	Page - 190

h)	Return on Shareholders' Funds	Page - 190
Liquidity Ratios		
a)	Current ratio	Page - 191
b)	Quick / Acid test ratio	Page - 191
c)	Cash to Current Liabilities	Page - 191
d)	Cash flow from operations to Sales	Page - 191
e)	Cash flow to capital expenditures	Page - 191
f)	Cash flow coverage ratio	Page - 191
Investment /Market Ratios		
a)	Earnings per Share (EPS) and diluted EPS	Page - 192
b)	Price Earnings ratio	Page - 192
c)	Price to Book ratio	Page - 192
d)	Dividend Yield ratio	Page - 192
e)	Dividend Payout ratio / Dividend Cover Ratio	Page - 192
f)	Cash Dividend per share / Stock Dividend per share	Page - 192
g)	Market value per share at the year end and high/low during the year	Page - 192
h)	Breakup value per share	Page - 192
	i. Without Surplus on Revaluation of property, plant and equipment	Page - 192
	ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments	Page - 192
	iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.	Page - 192
i)	DuPont Analysis	Page - 198
j)	Free Cash Flow	Page - 175
k)	Economic Value Added (EVA)	Page - 175
Capital Structure		
a)	Financial leverage ratio	Page - 193
b)	Weighted average cost of debt	Page - 193
c)	Debt to Equity ratio (as per book and as per market value)	Page - 193
d)	Net assets per share	Page - 193
e)	Interest Cover /Time Interest earned ratio	Page - 193
Activity / Turnover Ratios		
a)	Total Assets turnover ratio	Page - 191
b)	Fixed Assets turnover ratio	Page - 191
c)	No. of Days in Inventory	Page - 191
d)	No. of Days in Receivables	Page - 191
e)	No. of Days in Payables	Page - 191
f)	Operating cycle	Page - 191
Employee Productivity ratios		
a)	Production per Employee	Page - 193
b)	Revenue per Employee	Page - 193
c)	Staff turnover ratio	Page - 193

Non-Financial Ratios		
a)	% of Plant Availability	Page - 194
b)	Customer Satisfaction Index	Page - 194
Others		
a)	Spares Inventory as % of Assets Cost	Page - 194
b)	Maintenance Cost as % of Operating Expenses	Page - 194
Ratios required for Shariah compliant companies and the companies listed on the Islamic Indices		
In case of Listed companies		
a.	Loan on interest to market capitalization of the company (loan on interest whether long-term or short-term debt should not exceed thirty percent of the market capitalization of the company).	Page - 194
b.	Total interest-taking deposits to market capitalization of Total Equity (total interest-taking deposits whether short-, medium- or long-term, should not exceed thirty percent of the market capitalization of total equity).	Page - 194
c.	Income generated from prohibited component to Total Income (income generated from prohibited component should not exceed five percent of the total income of the company).	Page - 194
In case of un-listed companies		
a.	Interest bearing debt including preference shares to total assets (should be less than thirty percent).	N/A
b.	Non-Shariah Compliant Investments to total assets (should be less than thirty percent).	N/A
c.	Shariah non-compliant income (non-core income contribution) to Total Revenue (should be less than five percent).	N/A
d.	Illiquid Assets to Total Assets (should be at least twenty-five percent).	N/A
Annexure II - Speci c Disclosures (refer section 12 of the criteria)		
Speci c Disclosures of the Financial Statements		
1	Fair value of Property, Plant and Equipment.	Page - 239
2	Reconciliation of weighted average number of shares for calculating EPS and diluted EPS.	Page - 251
3	Particulars of significant/ material assets and immovable property including location and area of land.	Page - 241 & Page 176
4	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	Page - 258
5	Disclosure of product wise data mentioning, product revenue, profit etc.	Page - 247 (Note 26.2) & Page 257 (Note 39)
6	Capacity of an industrial unit, actual production and the reasons for shortfall.	Page - 255
7	Disclosure of discounts on revenue.	Page - 246
8	Sector wise analysis of deposits and advances.	Page - 244
9	Complete set of financial statements (Balance sheet, Income statement & Cash flow) for Islamic banking operations.	N/A
10	Status for adoption of Islamic Financial Accounting Standards (IFAS) issued by the ICAP.	Page - 216 & Page - 169
11	Summary of significant transactions and events that have affected the company's financial position and performance during the year.	N/A
12	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Page - 239
13	Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors/Executives etc.).	Page - 269

14	Particulars of major foreign shareholders, other than natural person, holding more than 5% of paid up capital in the company in Pattern of Shareholding.	Page - 271
15	Particulars where company has given loans or advances or has made investments in foreign companies or undertakings.	N/A
16	Accounts Receivable in respect of Export Sales - Name of company or undertaking in case of related party and in case of default brief description of any legal action taken against the defaulting parties.	Page - 262
17	Treasury shares in respect of issued share capital of a company.	N/A
18	In describing legal proceedings, under any court, agency or government authority, whether local or foreign, include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought.	Page - 237 to 238
19	Management assessment of sufficiency of tax provision made in the company's financial statements shall be stated along with comparisons of tax provision as per accounts vis a vis tax assessment for last three years.	Page - 198
20	Income tax reconciliation as required by IFRS and applicable tax regime for the year.	Page - 251
21	In respect of loans and advances, other than those to the suppliers of goods or services, the name of the borrower and terms of repayment if the loan or advance exceeds rupees one million, together with the collateral security, if any.	N/A
22	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Page - 64
23	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	N/A
24	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A
25	Standards, amendments and interpretations adopted during the current year along with their impact on the company's financial statements.	Page - 218
26	Standards, amendments and interpretations, not yet effective and not adopted along with their impact on the company's financial statements.	Page - 218
Annexure III - Speci c Disclosures required for Shariah Compliant Companies and the Companies Listed on the Islamic Indices		
Following disclosures are required under clause 10 of the Fourth Schedule of the Companies Act, 2017 for Sharia complaint companies and the companies listed on Islamic index:		
1	Loans/advances obtained as per Islamic mode.	Page - 267
2	Shariah compliant bank deposits/bank balances.	Page - 267
3	Profit earned from shariah compliant bank deposits/bank balances.	Page - 267
4	Revenue earned from a shariah compliant business segment.	Page - 267
5	Gain/loss or dividend earned from shariah compliant investments.	Page - 267
6	Exchange gain earned from actual currency.	Page - 267
7	Mark up paid on Islamic mode of financing.	N/A
8	Relationship with shariah compliant banks.	Page - 267
9	Profits earned or interest paid on any conventional loan or advance.	Page - 267

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 54th Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, Thursday, October 27, 2022 at 12:00 Noon and/or any adjournment thereof.

As witness given under my/our hand(s) ________________ day of October, 2022.

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

Affix
Revenue
Stamp of Rs. 50/-

____

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

Shares Held: _________________________

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

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

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.

AFFIX
CORRECT
POSTAGE

The Company Secretary

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

KTM
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 جمعرات **27** اکتوبر **2022** کو دوپہر **12:00** بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے **54** ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ہمارے دستخط سے مورخہ ______ اکتوبر 2022ء کو دی گئی۔

۵۰ روپے کا رسیدی ٹکٹ
چسپاں کرکے دستخط کریں

ا۔ گواہ

دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

دستخط ______________________

(ممبر/مجاز افسر)

(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

۲۔ گواہ

دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

____

حامل عام حصص

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی آئی ڈی	اکاؤنٹ نمبر

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | – | | | | | | | | – | |

نوٹس:

(۱) پراکسیز کے مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

AFFIX
CORRECT
POSTAGE

The Company Secretary

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

ڈائریکٹرز رپورٹ (کنسالیڈیٹڈ)

ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے لیے کوہ نور ٹیکسٹائل ملز لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی ذیلی کمپنیوں میپل لیف سیمنٹ فیکٹری لمیٹڈ (56.12%)، میپل لیف پاور لمیٹڈ (56.12%) اور میپل لیف کیپٹل لمیٹڈ (82.92%) (مجموعی طور پر ایک گروپ) کے نظرثانی شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے 15,453 ملین روپے کے مقابلے میں 24,128 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے اس سال 10,346 ملین روپے کا قبل از ٹیکس منافع کمایا جو پچھلے سال کے دوران 13,694 ملین روپے تھا۔ مجموعی گروپ کے مالیاتی نتائج درج ذیل ہیں:

	30 جون 2022	30 جون 2021
	(روپے ملین میں)	
آمدنی	87,977	65,451
مجموعی منافع	24,128	15,453
آپریشنز سے منافع	12,979	15,757
مالی لاگت	2,634	2,062
ٹیکس کے بعد خالص منافع	5,330	11,054
	روپے	
فی شیئر آمدنی - بنیادی اور ڈائیلیوٹڈ	12.93	28.26

ذیلی کمپنیاں

میپل لیف سیمنٹ فیکٹری لمیٹڈ (MLCFL)

اس نے گزشتہ سال کے مقابلے میں اپنی فروخت میں 36.53 فیصد کا اضافہ ریکارڈ درج کیا اور 25.30% (30 جون 2021: 20.83%) کا مجموعی منافع 12,275 ملین روپے (30 جون 2021: 7,403 ملین روپے) کمایا ہے۔ اس نے بعد از ٹیکس منافع 3,626 ملین روپے (30 جون 2021: 6,254 ملین روپے) کمایا ہے۔

میپل لیف پاور لمیٹڈ (MLPL)

MLPL نے بعد از ٹیکس منافع 916 ملین روپے (30 جون 2021: 1,153 ملین روپے) کمایا ہے۔

میپل لیف کیپٹل لمیٹڈ (MLCL)

MLCL نے ٹیکس کے بعد (نقصان) / منافع (4,718) ملین روپے (30 جون 2021: 4,119 ملین روپے) برداشت کیا / کمایا ہے۔

کمپنیز ایکٹ، 2017 کی تعمیل میں سیکشن 227 کے تمام متعلقہ معاملات کو شیئر ہولڈرز کو ہماری واحد ڈائریکٹرز رپورٹ میں رکھا گیا ہے۔

اظہار تشکر

ڈائریکٹرز گروپ کے ممبران، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ مختلف ڈویژنز میں کام کرنے والے ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

لاہور: 02 ستمبر 2022ء	سید محسن رضا نقوی ڈائریکٹر	توفیق سعید سہگل چیف ایگزیکٹو آفیسر

مستقبل کا نقطہ نظر

کمپنی طویل مدتی مستحکم نمو کی اپنی جستجو کو مدنظر رکھتے ہوئے معیار اور صلاحیت میں اضافے اور اپنی مصنوعاتی لائنز میں تنوع پر توجہ کے ساتھ اپنے بنیادی ڈھانچے، پلانٹ اور مشینری کو بہتر بنانے میں سرمایہ کاری جاری رکھے ہوئے ہے۔ مزید برآں، ایک " گرین" کمپنی بننے پر اپنی توجہ کو برقرار رکھتے ہوئے، اپنی قابل تجدید توانائی کی صلاحیت میں تیزی سے اضافہ، مزید شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی زیرو لیکویڈ کے اخراج کو حاصل کرنے کے طویل مدتی ہدف کے ساتھ پانی کی ری سائیکلنگ ٹیکنالوجیز میں بھی سرمایہ کاری کر رہی ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2022 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ممبروں، مالیاتی اداروں اور صارفین کے تعاون اور حمایت پر ان کے مشکور ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

(سید محسن رضا نقوی)
ڈائریکٹر

(توفیق سعید سہگل)
چیف ایگزیکٹو

لاہور: 02 ستمبر 2022ء

نام	عہدہ	اجلاسوں میں حاضری کی تعداد
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)	4
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	3
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4
جناب ولید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	3

ان ارکان کو غیر حاضری کی رخصت دی گئی جو آڈٹ کمیٹی کے اجلاسوں میں شرکت نہیں کر سکے۔
جناب شفیق احمد خان، چیئرمین آڈٹ کمیٹی نے 28 ستمبر 2021 کو منعقدہ گزشتہ AGM میں شرکت کی۔
بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی سمیت بورڈ کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

ہیومن ریسورس اور ریمنریشن (HR & R) 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 (ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس 25 اکتوبر 2021 کو منعقد ہوا۔ جناب ذوالفقار منو اور جناب سعید طارق سہگل نے اجلاس میں شرکت نہیں اور انہیں غیر حاضری کی رخصت دی گئی۔

بورڈ، ڈائریکٹران کے اگلے انتخابات کے بعد نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گی۔

نان ایگزیکٹو/ آزاد ڈائریکٹران 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 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 36 میں کیا گیا ہے۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال کے لئے کمپنی کے مالی حسابات پر اپنی آزاد آڈیٹرز رپورٹ میں کمپنی کے امور پر غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

ریٹائر آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بناپر، دوبارہ تقرری کے لئے خود کو پیش کیا ہے، آئندہ سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق آڈیٹرز کی حیثیت سے تقرری کی منظوری دی ہے۔

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی ترتیب

ڈائریکٹرز کی کل تعداد:

a)۔	مرد	8
b)۔	خاتون	1

ترتیب:

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

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 حسبِ ذیل کے مطابق ہے

کیٹگری	نام	اجلاسوں میں حاضری کی تعداد
آزاد ڈائریکٹرز	جناب شفیق احمد خان	4
	جناب ذوالفقار منو	3
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل (چیئرمین)	4
	جناب سعید طارق سہگل	4
	جناب ولید طارق سہگل	3
ایگزیکٹو ڈائریکٹرز	جناب توفیق سعید سہگل (چیف ایگزیکٹو آفیسر)	4
	جناب دانیال توفیق سہگل	4
	سید محسن رضا نقوی	3
خاتون ڈائریکٹر (نان ایگزیکٹو)	محترمہ جہاں آراء سہگل	2

ڈائریکٹران کو غیر حاضری کی اجازت دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکے۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک ممبر کی حاضری حسبِ ذیل کے مطابق 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 بیس پاور پراجیکٹس میں اپنی سرمایہ کاری بڑھا رہی ہے۔ نایاب وسائل کے ضیاع کو محدود کرنے کے لیے پانی کو دانشمندی سے استعمال کیا جا رہا ہے۔ مذکورہ مقصد کے حصول کے لیے کمپنی نے کئی سال پہلے ویسٹ واٹر ٹریٹمنٹ پلانٹ لگایا ہوا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری کو تسلیم کرتی ہے اور مستقل بنیادوں پر مختلف رفاہی اداروں کے ذریعہ معاشرے کی فلاح کے منصوبوں کو مالی اعانت فراہم کر کے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاعی شراکت میں قائدکی حیثیت سے تسلیم کیا ہے اور کمپنی ان کمیونٹیز کا تعمیری ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔ کمپنی نے میڈیکل سوشل سائنسز پراجیکٹ میں بھی حصہ لیا ہے اور اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور ذیلی کمپنی کے بورڈ نے مشترکہ طور پر گلاب دیوی چیسٹ ہسپتال (جی ڈی سی ایچ) لاہور میں العلیم میڈیکل کالج میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔ کمپنی نے ماضی میں بھی میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں سعید سہگل کارڈیک کمپلیکس تعمیر کر کے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہِ نور میپل لیف گروپ نے "تیرہواں کارپوریٹ سوشل رسپانسیبلٹی نیشنل ایکسلینس ایورڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

مزید برآں، ایک ذمہ دار شہری ہونے کے ناطے، کمپنی پاکستان میں حالیہ تباہ کن سیلاب سے متاثرہ خاندانوں اور کمیونٹیز کی مدد کے لیے تنظیمی سطح پر KTML فلڈ ریلیف ڈرائیو کو انجام دینے کا منصوبہ بنا رہی ہے۔

کمپنی کے کاروبار کے ماحول پر اثرت

انتظامیہ ملز کے احاطے سے آلودہ پانی کے اخراج کے بعد اردگرد کے علاقوں میں اس کے نقصان دہ اثرات کو سمجھتی ہے۔ اردگرد کے واٹر ٹیبل پر پروسیسنگ میں استعمال ہونے والے کسی بھی کیمیکل کے ممکنہ طور پر نقصان دہ اثرات کو روکنے کے لئے، فیکٹری سے خارج ہونے والے پانی میں کسی بھی آلودگی کو کم سے کم یا ختم کرنے کے لئے ایک ویسٹ واٹر ٹریٹمنٹ پلانٹ تعمیر کیا ہے۔ اس کے علاوہ، کمپنی متبادل، پائیدار انرجی ذرائع میں تحقیق اور اہم منصوبوں کے عملدرآمد کو جاری رکھتی ہے۔

موزوں داخلی کنٹرولز

بورڈ آف ڈائریکٹرز داخلی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے بخوبی واقف ہے اور اس کے مطابق کاروائیوں کو مؤثر انداز میں انجام دینے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی مالیاتی کنٹرول کا ایک مؤثر نظام قائم کیا گیا ہے۔ کمپنی کا آزاد داخلی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرولز کا نفاذ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی کی بنیاد پر اندرونی کنٹرول فریم ورک کے اثرات اور مالی حسابات کا جائزہ لیتی ہے۔

مالی حسابات کی تیاری اور پیش کرنے میں انتظامیہ کی ذمہ داری

انتظامیہ پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق اور کمپنیز ایکٹ، 2017 (2017 کا XIX) کی ضروریات کے مطابق اپنے مالی حسابات کی تیاری اور منصفانہ پیش کش کی ذمہ داری سے آگاہ ہے اور ایسا داخلی کنٹرول جو انتظامیہ متعین کرے، مالی حسابات کی تیاری کو فعال بنانے کے لئے ضروری ہے جو کسی موادی غلطی سے پاک ہو، چاہے وہ دھوکہ دہی یا سہواً ہو۔

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 زائدالمیعاد 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۔

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 ہے۔

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 اُجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ برآمدی منڈیوں میں سخت مسابقت اور کم مارجن کے باعث، منیجمنٹ 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 اسکی ذیلیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروبار کی نوعیت سے متعلقہ مالی سال کے دوران کوئی تبدیلی وقوع پذیر نہیں ہوئی ہے۔

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

برآمدات پر مبنی ٹیکسٹائل کمپنیوں کے لیے قلیل مدتی / طویل مدتی فنانسنگ کا سستا ذریعہ فراہم کرنے کی حکومت پاکستان کی پالیسی کمپنی کے مالیات پر نمایاں اثر ڈالتی اور مؤثر مالیاتی انتظام میں برآمدکنندگان کی مدد کرتی ہے۔

غیر مالی کارکردگی

اہم اجزاء کے حوالے سے کمپنی کی غیر مالی کارکردگی حسبِ ذیل کے مطابق ہے۔

انسانی سرمایہ:

انسانی سرمایہ تنظیم کی کامیابی میں ایک اہم عنصر ہے۔ KTML کا خیال ہے کہ تنظیم کی طویل مدتی کامیابی اس کے ملازمین کی ترقی پر منحصر ہے۔ اسی خیال کو مدنظر رکھتے ہوئے تنظیم ملازمین کی گرومنگ میں متعدد انداز سے اِن ہاؤس / آؤٹ سورسڈ ٹریننگ سیشنز میں مسلسل سرمایہ کاری کر رہی ہے۔

تعلقات کا سرمایہ:

KTML اپنے اسٹیک ہولڈرز، صارفین، شیئر ہولڈرز اور سپلائرز کے ساتھ بہت صحت منداور 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۔

کی قیمت 23 فیصد کے اضافہ سے 29,389 ملین روپے (2021: 23,823 ملین روپے) زیادہ ہوئی۔ اس کے نتیجے میں مجموعی منافع 10,169 ملین روپے (2021: 6,133 ملین روپے) رہا۔ زیرِ جائزہ سال کے لئے آپریٹنگ منافع 7,380 ملین روپے (2021: 4,061 ملین روپے) رہا۔ کمپنی نے ٹیکس کے بعد منافع 4,741 ملین روپے (2021: 2,756 ملین روپے) درج کیا ہے۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 9.21 روپے کے مقابلے موجودہ سال میں 15.84 روپے ہے۔

گروپ کا مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، گروپ کی مجموعی آمدنی بڑھ کر 87,977 ملین روپے (2021: 65,451 ملین روپے)، جبکہ فروخت کی قیمت بڑھ کر 63,848 ملین روپے (2021: 49,998 ملین روپے) ہوگئی۔ اس کے نتیجے میں مجموعی منافع 24,128 ملین روپے (2021: 15,453 ملین روپے) ہوا۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 28.26 روپے کے مقابلے موجودہ سال میں 12.93 روپے رہی ہے۔

ڈیویڈینڈ اور تصرفات

سال کے دوران کمپنی نے -/1 روپے فی شیئر (10%) عبوری نقد منافع منقسمہ ادا کیا ہے۔ مستقبل میں منافع منقسمہ کے امکانات مستقبل کے اقتصادی حالات پر منحصر ہیں۔

ڈائریکٹرز نے حسب ذیل کے مطابق سفارش کیا ہے:

تفصیل	روپے ہزاروں میں
ٹیکس سے پہلے منافع	6,575,626
ٹیکس کی فراہمی	(1,834,903)
ٹیکس کے بعد منافع	4,740,723
30 جون 2021 مختتمہ سال کے لئے اعلان کردہ حتمی منافع منقسمہ	(299,296)
30 جون 2022 مختتمہ سال کے لئے اعلان کردہ عبوری منافع منقسمہ	(299,296)
مجموعی منافع جو آگے لائے	10,856,251
مجموعی منافع جو آگے گیا	**14,998,382**

بعد کے واقعات

گزشتہ چند ہفتوں کے دوران مون سون کی بارشوں کے باعث پاکستان میں تباہ کن سیلاب، لاکھوں افراد بے گھر اور انفراسٹرکچر کی تباہی ایک اہم تشویش ہے اور یہ غیر یقینی ہے کہ معیشت پر کیا اثر پڑے گا۔ اس ابتدائی مرحلے میں اس اہم پیش رفت پر تبصرہ قبل از وقت ہوگا۔

کمپنی کی کارکردگی، مقاصد یا حکمت عملی کو مادی طور پر متاثر کرنے والے کوئی مابعد واقعات رونما نہیں ہوئے ہیں۔ مزید برآں، کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی تبدیلیاں یا معاہدے وقوع پذیر نہیں ہوئے جن کا تعلق مالی گوشواروں اور رپورٹ کی تاریخ سے ہو۔

کمپنی کے سرمایہ کاری اخراجات/ جاری توسیع کی کاروباری شرح

کمپنی کا خیال ہے کہ پروڈکشن سائٹس میں سرمایہ کاری اور توسیع کمپنی کے لئے منافع بخش ہوگی۔ لہذا، کمپنی اپنے بنیادی ڈھانچے کو بہتر بنانے میں سرمایہ کاری کر رہی ہے۔ کمپنی کی گوجر خان سائٹ پر توسیعی منصوبے نے اب اعلیٰ پیداواری صلاحیت اور معیاری مصنوعات کے ساتھ کامیابی سے کام شروع کر دیا ہے۔ مزید برآں، ایک "گرین" کمپنی بننے پر اپنی توجہ کو مدنظر رکھتے ہوئے، KTML اپنی قابل تجدید توانائی کی صلاحیت کو تیزی سے توسیع، اور مزید شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی نے نومبر 2022 اور فروری 2023 کے آخر تک کوہ نور رائے ونڈ اور کوہ نور راولپنڈی سائٹ پر بالترتیب مزید 96 لومز اور MVS 384 سپنڈلز شامل کرنے کا منصوبہ بنایا ہے۔

حصص داران کے لیے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کے لئے 54 ویں سالانہ رپورٹ معہ نظر ثانی شدہ مالیاتی گوشوارے اوران پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اصل سرگرمی

کوہِ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کمپنیز ایکٹ 1913 (اب کمپنیز ایکٹ 2017) کے تحت پاکستان میں قائم شدہ ایک پبلک لمیٹڈ کمپنی اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج شدہ ہے۔ کمپنی کا رجسٹرڈ دفتر 42 لارنس روڈ، لاہور پر واقع ہے۔ کمپنی کا اصل کاروبار یارن اور کپڑے کی تیاری، کپڑے کی پروسیسنگ اور سچٹنگ اور ٹیکسٹائل مصنوعات کی تجارت کرنا ہے۔

آپریشنز کا جائزہ

زیر جائزہ مدت میں، پچھلے سال کے مقابلے میں، کمپنی کے نتائج میں بہتری نمایاں رہی ہے۔ ترقی یافتہ دنیا میں کمپنیوں اور افراد کو محرک ادائیگیوں کے ذریعے، اجناس کی قیمتوں میں زبردست اضافہ نے بورڈ میں خوردہ قیمتوں کو بڑھا دیا۔ گھریلو ٹیکسٹائل اور گارمنٹس کی صنعتیں خاص طور پر مستفید ہوئیں کیونکہ صارفین۔ وبائی بیماری کی وجہ سے اکثر گھروں تک محدود ہو گئے۔ اپنے بجٹ کے اہم حصے کو گھر کی بہتری اور لاؤنج کپڑوں کی طرف منتقل کر دیا۔ چونکہ کمپنی نے اپنی خام مال کی ضروریات کو جلد پورا کر لیا تھا، اس لیے وہ ان پیشرفتوں سے فائدہ اٹھانے کے لیے اچھی طرح سے تیار تھی۔

مالی سال کی آخری سہ ماہی میں معمول پر واپسی کا آغاز دیکھا گیا، دنیا بھر کی حکومتوں نے لاک ڈاؤن کو ختم کر دیا، کھانے پینے اور تفریحی اداروں کو دوبارہ کھولنے کے ساتھ ساتھ دنیا بھر میں سفر کی بحالی کا آغاز کر دیا گیا۔ اس کی وجہ سے ٹیکسٹائل مصنوعات کی مانگ میں کمی اور منافع کی سابقہ سطحوں پر واپسی ہوئی۔

چونکہ صارفین کی مانگ روایتی خریداری پر واپس آ گئی ہے، خوردہ فروشوں کے پاس اعلی سطحوں کی انوینٹری موجود تھی، جس کے نتیجے میں مینوفیکچرنگ کی مانگ میں سست روی کی وجہ سے مارکیٹ کے حالات ناموافق ہیں۔ یوکرین میں جاری جنگ کی وجہ سے جزوی طور پر افراط زر اور توانائی کی زیادہ قیمتوں سے صارفین کی مانگ مزید متاثر ہوئی ہے۔ توانائی کی بہت زیادہ قیمتوں کے ساتھ، شرح سود میں اضافہ، پاکستانی مینوفیکچرنگ سیکٹر پر مزید اہم بوجھ ڈال رہے ہیں۔ اہم سیاسی غیر یقینی صورتحال کے پس منظر کے مقابل یہ سب اور روپیہ کی تیزی سے گرتی ہوئی قدر اور اتار چڑھاؤ نے تجارتی حالات کو مشکل بنا دیا ہے۔

تاہم، موجودہ مالی سال میں ٹیکسٹائل کی صنعت کے لیے سب سے زیادہ تشویشناک خطرہ دنیا بھر اور پاکستان میں سخت موسمی حالات کی وجہ سے ہے، جس کے نتیجے میں کپاس کی فصل کے متوقع سائز میں بڑے پیمانے پر کمی واقع، دونوں مقامی اور عالمی منڈیوں میں کپاس کی قیمتیں نمایاں زیادہ ہوگئی ہیں۔ ان عوامل کے باعث آئندہ مالی سال منافع میں کمی ہوگی۔ تاہم، ہمیں یقین ہے کہ ہماری پروڈکشن سائٹس پر ہماری سرمایہ کاری اور توسیع کمپنی کو منافع بخش رکھے گی، اگرچہ کم سطح پر ہو۔

کمپنی اپنے بنیادی ڈھانچے، پلانٹ اور مشینری کو بہتر بنانے کے لیے معیار اور صلاحیت میں اضافے کے ساتھ ساتھ اپنی طویل مدتی پائیدار ترقی کی تلاش کو مدنظر رکھتے ہوئے اپنی مصنوعات کی لائنوں کو متنوع بنانے کے لیے سرمایہ کاری جاری رکھے ہوئے ہے۔ کمپنی کی گوجر خان سائٹ پر توسیعی منصوبے نے اب اعلیٰ پیداواری صلاحیت اور معیاری مصنوعات کے ساتھ کامیابی سے کام شروع کر دیا، جس سے کمپنی کے منافع کو بڑھنا چاہیے۔ مزید برآں، ایک "گرین" کمپنی بننے پر اپنی توجہ کو مدنظر رکھتے ہوئے، KTML اپنی قابل تجدید توانائی کی صلاحیت کو تیزی سے توسیع، اور مزید شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی کلوزڈ لوپ سسٹم کی تعمیر کے طویل مدتی ہدف کے ساتھ پانی کی ری سائیکلنگ ٹیکنالوجیز میں بھی سرمایہ کاری جاری رکھے ہوئے ہے۔

مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، کمپنی کی فروخت 32 فیصد کے اضافہ سے 39,558 ملین روپے (2021: 29,956 ملین روپے) رہی، جبکہ فروخت

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