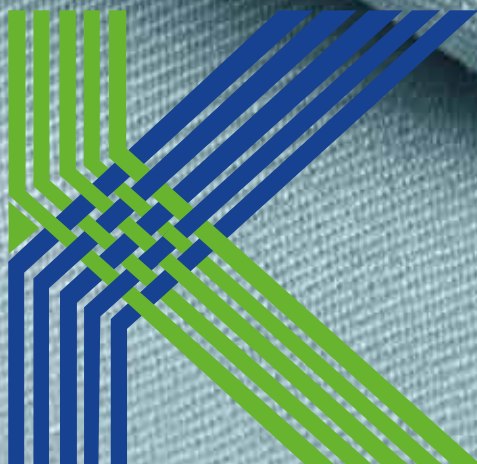


KOHINOOR

MILLS LIMITED



HALF YEARLY REPORT
31 DECEMBER 2023

www.kohinoormills.com

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Ms. Imrat Aamir Fayyaz	Director
Mrs. Hajra Arham	Director
Mr. Muhammad Anwarul Haq Siddiqui	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

Audit Committee

Mrs. Hajra Arham	Chairperson
Mr. Rashid Ahmed	Member
Mr. Muhammad Anwarul Haq Siddiqui	Member

HR & Remuneration Committee

Mr. Muhammad Anwarul Haq Siddiqui	Chairman
Mr. Rashid Ahmed	Member
Mrs. Hajra Arham	Member

Chief Financial Officer

Mr. Kamran Shahid

Head of Internal Audit

Mr. Gulraiz Ali

Legal Advisor

Raja Mohammad Akram & Co.,
Advocate & Legal Consultants, Lahore

Company Secretary

Mr. Muhammad Rizwan Khan

Auditors

M/s Riaz Ahmad & Company
Chartered Accountants

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Mills

8 K.M. Manga Raiwind Road, District Kasur,
Pakistan.
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Lines: (92-42) 36369340
Fax: (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website: www.kohinoormills.com

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd
HM House, 7 Bank Square, Lahore.
Land Lines: (92-42) 37235081 & 82, 37310466
Fax: (92-42) 37358817

OTHER CORPORATE INFORMATION

- Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The Registration Number of the Company is 0017194
- Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML
- The National Tax Number of the Company is 0658184-6
- Financial statements are available on website of the Company i.e., www.kohinoormills.com

DIRECTORS' REVIEW

The Directors of the company are pleased to present the interim financial statements for the half year ended 31 December 2023.

Global Economic Review

In the global economic landscape of 2024, a prevailing sense of vigilance emerges as growth is anticipated to decelerate further. This forecast is shaped by the lingering impacts of stringent monetary policies, financial constraints, and a subdued state of global trade. The World Bank's Global Economic Prospects (GEP) report projects a decline in growth rate from 2.6% in 2023 to 2.4% in 2024, with a modest uptick to 2.7% in 2025. Amidst this backdrop, several downside risks cast shadows on the economic horizon, including Middle East conflicts disrupting commodity markets, financial stress exacerbated by high debt and borrowing costs, persistent inflation, subdued activity in China, trade fragmentation, and the looming threat of climate-related disasters.

Pakistan Economic Review

Global growth expectations have been significantly influenced by geopolitical tensions, stringent financial conditions, and elevated inflationary pressures. Pakistan, like many other countries, has not been immune to these effects. Consequently, the nation grapples with domestic economic slowdown, diminished foreign currency reserves, volatile currency fluctuations, escalating inflation, restrictions on importing raw materials, elevated financing costs, and the persistent energy crisis, all contributing to sustained pressure on the external sector.

During the period under review, Pakistan encountered exceptional internal challenges. Key economic issues included inconsistent government policies, an unsustainable fiscal deficit, a significant increase in public debt, political and economic uncertainties, and the escalating burden of circular debt, all contributing to significant economic challenges faced by the nation.

During the first half of FY-24, the Current Account displayed a deficit of USD 831 million, a significant improvement from the USD 3.6 billion deficit during the same period last year. This positive shift primarily stems from an enhancement in the trade balance. The country's exports witnessed a 7.7% increase, reaching USD 15.3 billion compared to USD 14.2 billion in the corresponding period last year, while imports declined by 14.7%, amounting to USD 25.2 billion as opposed to USD 29.6 billion last year. Consequently, the trade deficit narrowed to USD 9.9 billion from USD 15.4 billion in the comparative period last year.

Pakistan's macroeconomic imbalances and extreme political instability have pushed the economy to the brink. As a result, Pakistan once again had to seek support from the IMF and friendly countries. Coupled with the global context of economic uncertainty, this period has proven to be exceptionally challenging, with expectations indicating a further increase in challenges during the second half of the current financial year.

Textile Industry Outlook

The textile industry is presently grappling with challenges associated with increased gas tariffs, elevated electricity costs, and higher rates for the Long-Term Financing Facility (LTFF) and Export Refinance Facility (ERF). The International Monetary Fund (IMF) has expressed concerns about subsidies, highlighting potential pressure on the government's fiscal position. Consequently, the government has discontinued the regionally competitive energy tariff (RCET) rates for the textile sector. Starting from March 2023, electricity rates have surged from 9 cents/kWh to 14 cents/kWh. Additionally, the adjustment in the financing rate for the LTFF and ERF facilities, set at 3% below the policy rate, has resulted in increased financing costs for the textile sector, which heavily relies on subsidized financing.

As a result, in the first half of the ongoing FY-24, the textile exports of the country witnessed a 5% decrease. The current review period recorded textile exports at USD 8.28 billion, marking a decline from USD 8.72 billion in the corresponding period last year. Despite the adverse global and local economic scenario discussed earlier, Pakistan textile products continued to maintain an average share of around 54.2% in national exports.

Navigating these challenges will require a multi-pronged approach that encompasses both domestic reforms and an understanding of global market dynamics. For Pakistan textile industry to sustain its momentum, it requires a stable and consistent policy environment that encourages exports, supports competitiveness, and fosters long-term growth. Policy predictability is crucial for attracting investments and promoting industry development.

Operating & Financial Results

During the half year ended 31 December, 2023, your company earned a gross profit of Rs. 2,759 million on sales of Rs. 15,285 million, compared to a gross profit of Rs. 2,727 million on sales of Rs. 13,198 million for the corresponding period of previous financial year. During the period under review, your company recorded a net profit of Rs. 400.6 million (EPS: Rs. 7.87 per share), compared to a net profit of Rs. 698.3 million (EPS: Rs. 13.72 per share), in the corresponding period.

Finance costs experienced a significant upswing, surging by 95.5% to a total of Rs. 917 million from Rs. 469 million in the corresponding period of the previous year. This substantial increase was primarily propelled by a steep rise in the policy rate, reaching 22%. Additionally, the Export Refinance scheme (ERF) observed a notable escalation compared to the preceding period, rising from 10% to 19%. The non-availability of the State Bank of Pakistan (SBP) Long-Term Finance Facility (LTFF) for previously planned capital expenditures had a profound impact on our financing costs, further contributing to the overall surge.

Performance Overview

A brief overview of performance of your company for the half year ended 31 December 2023 is discussed below:

Weaving Division

Despite the persistent global and domestic challenges faced by the weaving sector, the weaving division accomplished a significant milestone with a gross turnover of Rs. 10,081 million, marking a substantial increase from Rs. 8,073 million in the corresponding period of the previous financial year. However, owing to the elevated cost of production, the Weaving Division was unable to fully translate this accomplishment into a positive impact on the bottom line.

Looking ahead, we recognize the persistent challenges arising from a slowdown in demand, higher utility expenses, and increasing financing costs, all of which continue to put pressure on profit margins. In response, we reaffirm our commitment to implementing proactive strategies aimed at optimizing costs, expanding our market presence, and efficiently managing our finances to mitigate these challenges and enhance profitability in the coming periods.

Dyeing Division

The fashion retail sector, known for its vibrancy and intense competition, remains susceptible to economic shifts. In the financial year 2024, the aftermath of the global recession stemming from the COVID-19 pandemic, geopolitical tensions, and supply chain disruptions continues to impact the industry. Concurrently, escalating inflation worldwide is adding pressure to both businesses and consumers. The resulting decline in consumer confidence and discretionary spending, particularly in non-essential areas like fashion, has led to decreased sales for retailers, especially those targeting higher-end markets. In response to this challenging economic climate, fashion retailers in FY-24 must prioritize adaptability and innovation for sustained success.

In the face of the overall challenging environment within the fashion retail industry, the Dyeing division achieved a noteworthy 7.6% increase in gross turnover, rising from Rs. 8,686 million to Rs. 9,349 million. The gross profit experienced a robust surge, reaching Rs. 1,766 million compared to Rs. 1,548 million in the corresponding period of the last financial year, indicating an increase of 14.07% year-on-year. The Dyeing Division's impressive financial performance can be primarily attributed to the favorable impact of currency depreciation. It is imperative to complement this success with strategic initiatives focused on achieving sustainable growth through increased sales volumes, diversification, and effective risk management. The industry's capacity to innovate and adeptly respond to these challenges will be pivotal in determining its resilience and growth in the coming years.

As a pivotal component of the division's diversification strategy, progress is underway for the establishment of an apparel unit. This initiative aims to catalyze sustained long-term growth and enhance profitability by introducing a new and dynamic product line to the existing portfolio.

Genertek Division

Due to a significant increase in natural gas prices and electricity tariff of national grid, the company is facing multiple challenges to maintain competitive energy costs. The natural gas price also leaves the Genertek division exposed to exchange rate risk. These factors have caused a decline in profit margins in current period under review. The company is committed to achieving energy efficiency and making persistent efforts to tackle these challenges.

For steam generation, this division has diversified its fuel input requirements towards non-conventional green bio-fuels which are cleaner, cheaper and environment friendly. However, the rise in natural gas prices also increases the risk of rise in prices of non-conventional green bio-fuels.

Future Outlook

The textile sector in Pakistan confronts an array of challenges, hampering its competitiveness on both regional and global scales. These obstacles encompass diminished global demand, escalating inflation, heightened operational costs, reduced cotton yields, expensive imports, inadequate raw materials, persistent currency fluctuations, and increased government taxation. This adversity is compelling several small and medium-sized textile enterprises to close down. Conversely, larger vertically integrated facilities exhibit resilience in this arduous environment. Despite these hardships, industry leadership remains optimistic about securing profitability through a focus on cost-saving measures and active advocacy for supportive government policies.

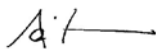
In the pursuit of sustainable growth and effective management of the trade deficit, the government needs to prioritize sectors geared towards exports. This entails ensuring regionally competitive energy tariffs for electricity and maintaining a consistent supply of Re-Gasified Liquefied Natural Gas (RLNG). These strategic initiatives not only boost the competitiveness of Pakistani products in the global market but also foster investment, economic expansion, and job creation, thereby positively impacting the overall national economy. While the depreciation of the PKR provides some advantages for exporters, it is crucial to acknowledge that the escalating costs of imported raw materials such as cotton and yarn, along with increased expenses on dyes, chemicals, and additional working capital requirements due to currency devaluation, often counterbalance these gains.

Concerning the company's operations, a concerted effort is being made to maintain cost efficiency through strategies such as optimizing capacity utilization, rationalizing expenses, and implementing an effective bio-mass procurement strategy. The company is committed to expanding its footprint with the goal of generating greater wealth for the benefit of its shareholders. The management team is also fully focused on minimizing the effects of the global slowdown in demand amid recessive pressures. The planned order position for rest of the FY-24 appears encouraging and management is hopeful of utilizing the higher capacity levels attained after modernization.

Acknowledgement

The board places on record its profound gratitude for its esteemed shareholders, banks, financial institutions, suppliers and customers, whose cooperation, continued support and patronage have empowered the company to make progress towards consistent improvement. During the period under review, relations between the management and employees remained cordial and we wish to put on record our appreciation for the dedication, perseverance and steadiness of the employees of the company.

For and on behalf of the Board



Kasur:
February 26, 2024

Amir Fayyaz Sheikh
Chief Executive



Rashid Ahmed
Director

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Kohinoor Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of KOHINOOR MILLS LIMITED as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor’s review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 26 February 2024

UDIN: RR202310158p5BivoOPz

The background of the cover page is a grayscale image of various financial charts and documents. In the foreground, a smartphone is positioned on the left side, displaying a line graph. The overall theme is financial analysis and reporting.

FINANCIAL STATEMENTS

For the half year ended 31 December 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
220,000,000 (30 June 2023: 220,000,000) ordinary shares of Rupees 10 each		2,200,000,000	2,200,000,000
30,000,000 (30 June 2023: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2023: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Capital reserves			
Share premium reserve		213,406,310	213,406,310
Fair value reserve		14,698,756	13,980,230
Surplus on revaluation of operating fixed assets - net of tax		2,468,954,541	2,493,164,645
Revenue reserves			
General reserve		788,199,282	788,199,282
Accumulated profit		4,143,633,804	3,871,599,693
Total equity		<u>8,138,002,803</u>	<u>7,889,460,270</u>
LIABILITIES			
Non-current liabilities			
Long term financing - secured	4	1,276,587,068	1,397,727,507
Deferred liabilities		364,526,701	359,694,174
Deferred income - Government grant		148,784,024	168,636,391
		<u>1,789,897,793</u>	<u>1,926,058,072</u>
Current liabilities			
Trade and other payables		4,442,643,486	4,751,498,857
Accrued mark-up		338,819,125	278,033,136
Short term borrowings - secured		6,671,992,845	7,280,650,382
Current portion of non-current liabilities		477,798,420	500,906,713
Provision for taxation - net		101,156,818	14,809,226
Unclaimed dividend		8,596,328	7,440,570
		<u>12,041,007,022</u>	<u>12,833,338,884</u>
Total liabilities		<u>13,830,904,815</u>	<u>14,759,396,956</u>
Contingencies and commitments			
	5		
TOTAL EQUITY AND LIABILITIES		<u>21,968,907,618</u>	<u>22,648,857,226</u>

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR

	Note	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
ASSETS			
Non-current assets			
Fixed assets	6	8,990,838,450	9,066,735,430
Intangible asset		-	-
Investment property		1,981,607	1,981,607
Long term investment		24,800,490	23,622,579
Long term loans		9,847,249	13,101,665
Long term deposits		93,550,789	80,913,312
		<u>9,121,018,585</u>	<u>9,186,354,593</u>
Current assets			
Stores, spares and loose tools		1,170,359,908	904,931,947
Stock-in-trade		5,976,866,027	5,545,414,912
Trade debts		3,333,324,910	3,717,817,750
Loans and advances		189,596,274	191,893,091
Short term deposits and prepayments		58,149,853	25,481,638
Sales tax recoverable		1,358,282,834	2,214,510,057
Other receivables		41,904,305	39,879,720
Short term investments	7	259,781,146	383,859,900
Cash and bank balances		459,623,776	438,713,618
		<u>12,847,889,033</u>	<u>13,462,502,633</u>
TOTAL ASSETS		<u><u>21,968,907,618</u></u>	<u><u>22,648,857,226</u></u>



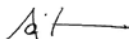
KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Half year ended		Quarter ended	
		31 December 2023 Rupees	31 December 2022 Rupees	31 December 2023 Rupees	31 December 2022 Rupees
REVENUE	8	15,285,764,747	13,198,519,698	7,713,233,951	6,411,813,627
COST OF SALES	9	(12,526,147,255)	(10,471,037,286)	(6,469,768,937)	(5,060,375,827)
GROSS PROFIT		2,759,617,492	2,727,482,412	1,243,465,014	1,351,437,800
DISTRIBUTION COST		(713,553,865)	(669,650,024)	(363,647,645)	(298,634,133)
ADMINISTRATIVE EXPENSES		(369,799,499)	(298,444,159)	(163,481,646)	(155,683,031)
OTHER EXPENSES		(238,849,310)	(519,966,352)	(166,893,111)	(286,189,342)
		(1,322,202,674)	(1,488,060,535)	(694,022,402)	(740,506,506)
		1,437,414,818	1,239,421,877	549,442,612	610,931,294
OTHER INCOME		114,453,813	117,756,379	64,563,952	82,928,412
PROFIT FROM OPERATIONS		1,551,868,631	1,357,178,256	614,006,564	693,859,706
FINANCE COST		(917,595,438)	(469,410,292)	(442,819,297)	(280,113,187)
PROFIT BEFORE TAXATION		634,273,193	887,767,964	171,187,267	413,746,519
TAXATION		(233,716,153)	(189,516,731)	(153,192,598)	(121,293,943)
PROFIT AFTER TAXATION		400,557,040	698,251,233	17,994,669	292,452,576
EARNINGS PER SHARE					
- BASIC AND DILUTED		7.87	13.72	0.35	5.74

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR

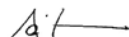


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Half year ended		Quarter ended	
	31 December 2023 Rupees	31 December 2022 Rupees	31 December 2023 Rupees	31 December 2022 Rupees
PROFIT AFTER TAXATION	400,557,040	698,251,233	17,994,669	292,452,576
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Surplus / (deficit) arising on remeasurement of investment at fair value through other comprehensive income	1,177,911	(2,394,441)	1,177,911	(2,394,441)
Deferred income tax relating to this item	(459,385)	790,166	(459,385)	790,166
	718,526	(1,604,275)	718,526	(1,604,275)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	718,526	(1,604,275)	718,526	(1,604,275)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	401,275,566	696,646,958	18,713,195	290,848,301

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Half year ended	
	31 December 2023 Rupees	31 December 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	634,273,193	887,767,964
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	248,193,303	211,539,546
Dividend income	(28,407,437)	(14,625,856)
Gain on sale of operating fixed assets - net	(7,425,708)	(25,847,031)
Fair value gain on short term investments	(388,896)	(23,516)
Adjustment due to impact of IFRS-9 on long term financing	30,284,444	23,889,803
Adjustment due to impact of IFRS-9 on GIDC	-	78,363
Provision for slow moving, obsolete and damaged store items	4,951,295	5,163,727
Allowance of expected credit losses	66,899,241	27,921,324
Amortization of deferred grant	(20,274,819)	(15,226,707)
Provision for doubtful duty draw back	-	2,795,158
Credit balances written back	(17,077,717)	-
Provision for doubtful export rebate	488,975	(61,872)
Provision for doubtful sales tax recoverable	10,720,486	10,283,969
Finance cost	887,310,994	445,442,126
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	1,809,547,354	1,559,096,998
(Increase) / decrease in current assets		
Stores, spares and loose tools	(270,379,256)	(101,573,290)
Stock-in-trade	(431,451,115)	(1,091,718,609)
Trade debts	317,593,599	(468,542,068)
Loans and advances	2,296,817	134,897,962
Short term deposits and prepayments	(32,668,215)	158,600
Other receivables	(2,513,560)	2,809,644
Sales tax recoverable	845,506,737	(361,318,017)
(Decrease) / increase in current liabilities		
Trade and other payables	(291,777,654)	694,674,888
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	136,607,353	(1,190,610,890)
CASH GENERATED FROM OPERATIONS	1,946,154,707	368,486,108
Income tax paid	(145,783,163)	(153,225,507)
Finance cost paid	(820,228,943)	(331,612,218)
Gas infrastructure development cess paid	-	(4,303,960)
Net decrease in long term loans to employees	3,254,416	11,854,101
Net (increase) / decrease in long term deposits	(12,637,477)	13,174,135
	(975,395,167)	(464,113,449)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	970,759,540	(95,627,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(175,351,124)	(1,189,960,399)
Proceeds from disposal of operating fixed assets	10,480,509	125,829,186
Dividend received	4,183,836	1,287,333
Proceeds from disposal of short term investment	1,360,600,000	569,500,000
Short term investment made	(1,215,417,067)	(976,000,000)
NET CASH USED IN INVESTING ACTIVITIES	(15,503,846)	(1,469,343,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	40,492,000	670,996,000
Repayment of long term financing	(214,602,724)	(257,535,294)
Dividend paid	(151,577,275)	(101,481,945)
Short term borrowings - net	(608,657,537)	1,179,579,927
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(934,345,536)	1,491,558,688
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	20,910,158	(73,412,533)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	438,713,618	606,150,630
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	459,623,776	532,738,097

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	RESERVES										TOTAL EQUITY
	SHARE CAPITAL			CAPITAL RESERVES			REVENUE RESERVES				
	Share premium reserve	Fair value reserve FVTOCI investment - net of tax	Surplus on revaluation of operating fixed assets - net of tax	General reserve	Accumulated profit	Sub Total	Sub Total	Sub Total	Sub Total		
Balance as at 30 June 2022 - (audited)	509,110,110	213,406,310	15,225,957	2,564,006,429	2,792,638,696	788,199,282	1,913,672,412	2,701,871,694	6,003,620,500		
Transactions with owners - Final dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	-	-	(101,822,022)	(101,822,022)	(101,822,022)		
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	(25,981,147)	(6,764,954)	(25,981,147)	(6,764,954)	25,981,147	6,764,954	25,981,147		
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	-	(6,764,954)	-	6,764,954	-	6,764,954		
Profit for the half year ended 31 December 2022	-	-	-	-	-	-	698,251,233	698,251,233	698,251,233		
Other comprehensive loss for the half year ended 31 December 2022	-	-	(1,604,275)	-	(1,604,275)	-	-	-	(1,604,275)		
Total comprehensive income for the half year ended 31 December 2022	-	-	(1,604,275)	-	(1,604,275)	-	698,251,233	698,251,233	698,251,233		
Balance as at 31 December 2022 - (Un-audited)	509,110,110	213,406,310	13,621,682	2,531,260,328	2,758,288,320	788,199,282	2,542,847,724	3,331,047,006	6,598,445,436		
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(25,981,150)	(25,981,150)	-	25,981,150	25,981,150	25,981,150		
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	489,426	489,426	-	(489,426)	(489,426)	(489,426)		
Profit for the half year ended 30 June 2023	-	-	358,548	(12,603,959)	(12,245,411)	-	1,303,260,245	1,303,260,245	1,303,260,245		
Other comprehensive income / (loss) for the half year ended 30 June 2023	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the half year ended 30 June 2023	-	-	358,548	(12,603,959)	(12,245,411)	-	1,303,260,245	1,303,260,245	1,303,260,245		
Balance as at 30 June 2023 - (audited)	509,110,110	213,406,310	13,980,230	2,493,164,645	2,720,551,185	788,199,282	3,871,599,693	4,659,798,975	7,899,460,270		
Transactions with owners - Final dividend for the year ended 30 June 2023 @ Rupees 3.00 per share	-	-	-	-	-	-	(152,733,033)	(152,733,033)	(152,733,033)		
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(24,210,104)	(24,210,104)	-	24,210,104	24,210,104	24,210,104		
Profit for the half year ended 31 December 2023	-	-	718,526	-	718,526	-	400,557,040	400,557,040	400,557,040		
Other comprehensive income for the half year ended 31 December 2023	-	-	718,526	-	718,526	-	400,557,040	400,557,040	400,557,040		
Balance as at 31 December 2023 - (Un-audited)	509,110,110	213,406,310	14,698,756	2,468,954,541	2,697,059,607	788,199,282	4,143,633,804	4,931,633,086	8,138,002,803		

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

A. T.

AAMIR FAYAZ SHEIKH
CHIEF EXECUTIVE

Rashid Ahmed

RASHID AHMED
DIRECTOR

Kamran Shahid

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited (“the Company”) is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. Manufacturing units (dyeing, weaving, power generation) and registered office of the Company are situated at 8-K.M., Manga Raiwind Road, District Kasur. Marketing office of the Company is situated at Office No. 815, 8th Floor, Uni Centre, Serai Quarters, I.I Chundrigar Road, Karachi. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate and supply electricity.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
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4. LONG TERM FINANCING - SECURED

Opening balance	1,785,962,840	1,658,623,951
Add: Obtained during the period / year	40,492,000	788,172,000
Less: Repaid during the period / year	(214,602,724)	(470,275,699)
Add: Adjustment due to impact of IFRS - 9 during the period / year	10,009,625	18,041,804
Less: Deferred income recognised during the period / year	-	(243,132,708)
Add: Deferred income amortised during the period / year	20,274,819	34,533,492
Net Impact (Note 4.1)	20,274,819	(208,599,216)
	1,642,136,560	1,785,962,840
Less: Current portion shown under current liabilities	365,549,492	388,235,333
	<u>1,276,587,068</u>	<u>1,397,727,507</u>

- 4.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023 except for the following:

- (i) On 13 December 2022, Collector of customs (adjudication) passed an order whereby a demand of Rupees 27.499 million (along with default surcharge) has been raised against the Company on account of certain benefits availed under the Customs Act, 1969 during the years 2008 to 2010 on import of raw materials and machinery. The Company challenged the order on certain grounds and filed an appeal before the Customs, Excise & Sales Tax Appellate Tribunal, Lahore against the order. The Customs, Excise & Sales Tax Appellate Tribunal, Lahore has granted stay against the recovery proceedings. The Company has paid the amount of Rupees 27.499 million under protest. The Company is pursuing the case and is hopeful for favourable outcome.
- (ii) Bank guarantees of Rupees 247.192 million (30 June 2023: Rupees 203.199 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.
- (iii) Post dated cheques amounting to Rupees 2,000.000 million (30 June 2023: Rupees 92.679 million) are issued to Collector of Customs (Appraisalment) Lahore.

Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 18.243 million and Rupees 146.822 million (30 June 2023: Rupees 39.836 million and Rupees 104.868) respectively.
- (ii) Post dated cheques amounting to Rupees 749.037 million (30 June 2023: 1,007.791 million) are issued to creditors of the Company.

	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
6. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 6.1)	8,489,019,732	8,415,815,628
Capital work-in-progress (Note 6.2)	501,818,718	650,919,802
	<u>8,990,838,450</u>	<u>9,066,735,430</u>
6.1 Operating fixed assets		
Opening net book value	8,415,815,628	7,147,998,813
Add: Cost of additions during the period / year (Note 6.1.1)	324,452,208	1,834,704,742
	<u>8,740,267,836</u>	<u>8,982,703,555</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	3,054,801	103,900,075
Less: Depreciation charged during the period / year	248,193,303	462,987,852
Closing net book value	<u>8,489,019,732</u>	<u>8,415,815,628</u>
6.1.1 Cost of additions		
Freehold land	-	29,332,905
Factory building	85,686,519	241,692,482
Plant and machinery	193,158,618	1,349,004,872
Electric installations	13,969,080	72,333,439
Furniture, fixtures and equipment	-	11,969,683
Computers	4,578,231	12,214,492
Motor vehicles	27,059,760	118,156,869
	<u>324,452,208</u>	<u>1,834,704,742</u>
6.1.2 Book value of deletions		
Plant and machinery	-	67,463,531
Factory building	-	23,503,503
Motor vehicles	3,054,801	12,933,041
	<u>3,054,801</u>	<u>103,900,075</u>
6.2 Capital work-in-progress		
Plant and machinery	36,659,182	166,252,149
Electric installations and other equipment	34,003,705	3,661,545
Buildings	388,577,730	470,673,798
Stores held for capital expenditures	42,578,101	4,946,310
Advance against purchase of vehicles	-	5,386,000
	<u>501,818,718</u>	<u>650,919,802</u>

	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
7. SHORT TERM INVESTMENTS		
At fair value through profit or loss		
Mutual funds:		
Pakistan Cash Management Fund 4,910,596.985 (30 June 2023: 7,401,519.249) units	247,827,026	373,323,089
NBP Money Market Fund 1,194,480.288 (30 June 2023: 1,096,771.937) units	11,920,634	10,892,221
	<u>259,747,660</u>	<u>384,215,310</u>
Add / (less): Fair value adjustment	33,486	(355,410)
	<u>259,781,146</u>	<u>383,859,900</u>

REVENUE (Un- audited)
Revenue from contracts with customers

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Description	Weaving			Dyeing			Total		
	Half year ended		Quarter ended	Half year ended		Quarter ended	Half year ended		Quarter ended
	31 December 2023	31 December 2022	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2022	
----- Rupees -----									
Geographical market									
Australia	-	-	-	38,849,163	4,058,567	15,966,785	38,849,163	4,058,567	15,966,785
Asia	1,265,190,576	712,647,236	656,204,497	3,451,819,027	4,722,454,116	1,768,862,327	4,717,009,603	5,435,101,412	2,425,066,824
Europe	3,245,091,278	3,150,504,692	1,376,691,853	30,717,905	219,624,473	113,290,065	3,562,267,083	3,370,129,165	1,489,981,918
America	70,494,966	-	28,091,183	818,107,461	131,091,001	350,562,763	888,562,027	131,091,001	378,653,946
Africa	-	-	-	126,590,164	123,471,066	24,246,807	126,590,164	123,471,066	24,246,807
Pakistan	1,671,720,966	833,989,822	951,042,673	4,260,651,385	3,271,656,610	2,413,860,023	5,932,372,351	4,105,646,432	3,364,902,696
Export rebate	6,252,457,386	4,697,141,810	3,012,030,206	9,003,193,005	8,472,355,833	4,666,788,770	15,255,650,391	13,169,497,643	7,698,819,978
	7,768,658	4,487,843	3,185,464	22,345,698	24,534,212	11,229,511	30,114,356	29,022,055	14,414,975
	6,260,226,044	4,701,629,653	3,015,215,670	9,025,538,703	8,496,890,045	4,698,018,281	15,285,764,747	13,198,519,698	7,713,233,951
Major products /service lines									
Greege cloth	6,106,195,535	4,627,428,714	2,950,189,806	8,865,192,980	8,185,957,016	4,621,247,243	6,106,195,535	4,627,428,714	2,950,189,806
Dyed cloth	-	-	-	-	-	-	8,865,192,980	8,219,693,979	4,621,247,243
Yarn	29,518,046	33,736,963	16,663,135	-	-	-	29,518,046	38,739,098	9,773,098
Processing income	-	-	-	140,033,892	300,656,402	66,776,131	140,033,892	300,656,402	66,776,131
Waste	124,512,463	1,724,097	861,043	20,311,831	10,276,627	9,994,907	144,824,294	12,000,724	65,247,673
	6,260,226,044	4,701,629,653	3,015,215,670	9,025,538,703	8,496,890,045	4,698,018,281	15,285,764,747	13,198,519,698	7,713,233,951
Timing of revenue recognition									
Products and services transferred at a point in time	6,260,226,044	4,701,629,653	3,015,215,670	9,025,538,703	8,496,890,045	4,698,018,281	15,285,764,747	13,198,519,698	7,713,233,951
Products and services transferred over time	-	-	-	-	-	-	-	-	-
	6,260,226,044	4,701,629,653	3,015,215,670	9,025,538,703	8,496,890,045	4,698,018,281	15,285,764,747	13,198,519,698	7,713,233,951

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

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2023 Rupees	31 December 2022 Rupees	31 December 2023 Rupees	31 December 2022 Rupees
9. COST OF SALES				
Raw material consumed	9,256,482,681	7,992,527,893	4,490,062,077	3,694,712,450
Chemical consumed	890,914,022	842,163,407	438,083,572	439,174,165
Salaries, wages and other benefits	634,607,510	477,411,989	326,691,936	253,726,269
Employees' provident fund contributions	35,852,085	21,540,056	19,126,066	13,862,751
Cloth conversion and processing charges	108,206,701	215,822,558	79,577,398	171,504,758
Fuel, oil and power	1,317,452,875	1,095,879,014	677,273,297	586,275,763
Stores, spares and loose tools consumed	252,354,733	140,741,553	137,459,831	78,616,392
Packing material consumed	88,105,286	63,870,406	42,502,685	29,461,383
Repair and maintenance	75,803,356	47,016,544	38,651,369	26,972,502
Insurance	24,945,723	20,370,820	12,936,632	10,656,296
Other manufacturing expenses	118,874,300	61,087,098	70,641,682	31,986,464
Depreciation on operating fixed assets	235,286,985	202,362,764	116,938,787	122,710,145
	13,038,886,257	11,180,794,102	6,449,945,332	5,459,659,338
Work-in-process inventory				
Opening stock	659,146,612	447,555,892	800,908,813	521,427,048
Closing stock	(791,133,772)	(717,421,574)	(791,133,772)	(717,421,574)
	(131,987,160)	(269,865,682)	9,775,041	(195,994,526)
Cost of goods manufactured	12,906,899,097	10,910,928,420	6,459,720,373	5,263,664,812
Finished goods inventory				
Opening stock	2,945,315,056	2,068,681,756	3,336,115,462	2,305,283,905
Closing stock	(3,326,066,898)	(2,508,572,890)	(3,326,066,898)	(2,508,572,890)
	(380,751,842)	(439,891,134)	10,048,564	(203,288,985)
	12,526,147,255	10,471,037,286	6,469,768,937	5,060,375,827

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements At 31 December 2023 - un-audited	Level 1	Level 2	Level 3	Total
 (Rupees)			
Financial assets				
Investments at fair value through profit and loss	259,781,146	-	-	259,781,146
Investment at fair value through other comprehensive income	-	-	24,800,490	24,800,490
Total financial assets	259,781,146	-	24,800,490	284,581,636

Recurring fair value measurements At 30 June 2023 - audited	Level 1	Level 2	Level 3	Total
 (Rupees)			
Financial assets				
Investments at fair value through profit and loss	383,859,900	-	-	383,859,900
Investment at fair value through other comprehensive income	-	-	23,622,579	23,622,579
Total financial assets	383,859,900	-	23,622,579	407,482,479

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 was no transfer in and out of level 1 and 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 equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the half year ended 31 December 2023:

	Unlisted equity security Rupees
Balance as on 30 June 2022 - Audited	23,429,479
Less: Deficit recognized in other comprehensive income	<u>(2,394,441)</u>
Balance as on 31 December 2022 - Unaudited	21,035,038
Add: Surplus recognized in other comprehensive income	<u>2,587,541</u>
Balance as on 30 June 2023 - Audited	23,622,579
Add: Surplus recognized in other comprehensive income	<u>1,177,911</u>
Balance as on 31 December 2023 - Unaudited	<u>24,800,490</u>

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value as at		Unobservable inputs	Range of inputs (probability-weighted average) 31 December 2023	Relationship of unobservable inputs to fair value
	Un-audited 31 December 2023	Audited 30 June 2023			
	Rupees	Rupees			

FVTOCI financial asset:

Security General Insurance Company Limited	24,800,490	23,622,579	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupee +2.394 million / -1.937 million.
			Risk adjusted discount rate	19.39%	

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuation of non-property item required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the chief financial officer. Discussions of valuation processes and results are held between the chief financial officer and the valuation team at least once every six month, in line with the Company's half yearly reporting period.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instrument is determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity security is estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each half yearly reporting period during the valuation discussion between the chief financial officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these condensed interim 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 31 December 2023 Un-audited	Level 1	Level 2	Level 3	Total
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..... (Rupees)

Property, plant and equipment:				
- Freehold land		- 2,191,694,814		- 2,191,694,814
- Buildings		- 1,551,099,424		- 1,551,099,424
Total non-financial assets		- 3,742,794,238		- 3,742,794,238

At 30 June 2023 Audited	Level 1	Level 2	Level 3	Total
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..... (Rupees)

Property, plant and equipment:				
- Freehold land		- 2,191,694,814		- 2,191,694,814
- Buildings		- 1,503,807,052		- 1,503,807,052
Total non-financial assets		- 3,695,501,866		- 3,695,501,866

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.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2023. 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 the items of property, plant and equipment carried at revalued amounts every three years. The management updates the assessment of the fair value of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold 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 valuer to determine the fair value of the Company's items of property, plant and equipment carried at revalued amounts at the end of every three years. As at 30 June 2021, the fair values of the items of property, plant and equipment were determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties are as follows:

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2023 Rupees	31 December 2022 Rupees	31 December 2023 Rupees	31 December 2022 Rupees
Loan obtained from :	-	-	-	-
Chief executive officer	44,000,000	-	44,000,000	-
Close relatives of				
chief executive officer	-	5,300,000	-	5,300,000
Directors	24,100,000	-	24,100,000	-
Repayment of loan to :				
Close relatives of				
chief executive officer	1,125,000	1,790,000	300,000	1,450,000
Directors	6,400,000	-	1,400,000	-
Dividend paid to:				
Chief executive officer	52,568,277	33,302,518	52,568,277	33,302,518
Close relatives of				
chief executive officer	15,273,300	10,182,200	15,273,300	10,182,200
Directors	30,573,150	20,382,100	30,573,150	20,382,100
Provident Fund	2,728,500	1,819,000	2,728,500	1,819,000
Remuneration to chief executive officer, directors and executives	145,805,234	126,484,325	72,062,423	84,447,185
Contribution to employees' provident fund trust	48,657,784	60,918,746	26,284,192	38,496,994
			Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees

Period end balances

Loan from:		
Chief executive officer	44,000,000	-
Close relatives of chief executive officer	1,094,970	2,219,970
Directors	27,082,000	9,382,000
Payable to / (receivable from) employees' provident fund trust	5,084,946	(349,944)

14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

15. AUTHORIZED FOR ISSUE

These condensed interim financial statements were authorized for issue on 26 February 2024 by the Board of Directors of the Company.

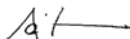
16. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

17. GENERAL

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



**Kohinoor
Mills Limited**

**8 Kilometer
Manga Raiwind Road
District Kasur, Pakistan.**