



HALF YEARLY REPORT DECEMBER 31, 2019



BUILDING SUSTAINABLE FUTURE



BUILDING
SUSTAINABLE
FUTURE

We believe in a sustainable development where needs of current are met without compromising the abilities of future generations to meet their own needs. We are striving to achieve economic development with a socially responsible and environment friendly attitude. Depleting water reservoir and increasing carbon emission are among key challenges the world is facing today. We are committed to develop more and more renewable energy sources for clean-energy and water recycling facilities to stay green and eco-friendly for building a sustainable future.

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COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Taufique Sayeed Saigol	Chief Executive
Mr. Sayeed Tariq Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Mr. Shafiq Ahmed Khan	
Mr. Arif Ijaz	
Mr. Syed Mohsin Raza Naqvi	

Audit Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Arif Ijaz	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Waleed Tariq Saigol	Member

Human Resource & Remuneration Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Arif Ijaz	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser

Mr. Abdul Rehman Qureshi
Advocate High Court

Registered Office

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

Share Registrar

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

Bankers of the Company

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

Mills:

- Peshawar Road, Rawalpindi
Tel: (0092-51) 5495328-32
Fax: (0092-51) 5495304
- 8 K.M., Manga Raiwind Road, District Kasur
Tel: (0092-42) 32560683-85
Fax: (0092-42) 32560686-87
- Gulyana Road, Gujar Khan, District Rawalpindi
Tel: (0092-51) 3564472-74

Website

www.kmlg.com

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

DIRECTORS' REVIEW

The Directors present un-audited accounts of the Company for the half year ended 31 December 2019, duly reviewed by the Auditors, in compliance with requirements of Section 237 of the Companies Act, 2017.

Review of Operations

The Company's results from its core operations in first half of the financial year have shown an improvement compared to the corresponding period in the previous year. The Company's operational profit grew in second quarter of the period under review and after-tax profitability increased due to dividends received from associated companies. However, increasing financial charges impacted the results negatively.

The Company's spinning divisions showed similar results to those of the previous quarter but a decline is expected in the coming quarters due to increased power tariffs and recessionary factors in the yarn market. Investments in equipment to increase spinning capacity and quality are underway and should be operational in this quarter, leading to better financial prospects in the future.

The Weaving division performed well showing significant growth in profitability over the first quarter. Going forward, the order books are full and operational profits are expected to be similar in the coming quarters.

The Processing and Cut & Sew division performed very well, showing significant growth in sales over the corresponding period of the previous financial year leading to strong profitability growth, quarter on quarter. Similar growth is expected in the coming half-year as markets abroad continue to seek higher value-added goods from Pakistan. Further, the Company has made new investments in diversifying and increasing capacity in Processing and Cut & Sew equipment which will lead to improved results in the future.

The Company's third phase of solar power generation will be commissioned within this quarter bringing the overall generation capacity 5.33 megawatts which should have a positive impact on the Company's energy cost and improve its "green" footprint.

Financial Review

During the period under review, Company's sales increased by 14.97% to Rs. 11,934 million (2018: Rs. 10,380 million), while cost of sales increased by 13.49% to Rs. 9,769 million (2018: Rs. 8,608 million). This resulted in gross profit of Rs. 2,165 million (2018: Rs 1,772 million).

Operating profit for the period under review remained Rs. 1,540 million (2018: Rs. 1,578 million). The Company recorded after tax profit of Rs. 1,029 million (2018: Rs. 1,095 million). Earnings per share for the half year ended 31 December 2019 stood at Rs. 3.44 against Rs. 3.66 for the corresponding period of last year.

Dividend

The Board of Directors has recommended payment of interim cash dividend at Re. 1/- per share of Rs. 10/- each (10%) for the half year ended December 31, 2019.

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



Syed Mohsin Raza Naqvi
Director



Taufique Sayeed Saigol
Chief Executive

Lahore
26 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohinoor Textile Mills Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of KOHINOOR TEXTILE MILLS LIMITED as at 31 December 2019 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated 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 unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

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 unconsolidated 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 unconsolidated 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 Raheel Arshad.



RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 26 February 2019

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	Un-audited 31 December 2019	Audited 30 June 2019
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
370,000,000 (30 June 2019: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2019: 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			
299,296,456 (30 June 2019: 299,296,456) ordinary shares of Rupees 10 each		2,992,964	2,992,964
RESERVES			
Capital Reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		3,843,044	3,843,044
		4,829,121	4,829,121
Revenue Reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		8,498,701	7,694,239
		9,949,192	9,144,730
TOTAL EQUITY		17,771,277	16,966,815
LIABILITIES			
Non-Current Liabilities			
Long term financing - secured	5	2,905,774	1,535,299
Deferred income tax liability		505,360	593,732
		3,411,134	2,129,031
Current Liabilities			
Trade and other payables		3,044,295	2,133,377
Accrued mark-up		152,231	73,815
Short term borrowings		7,514,860	3,141,523
Current portion of long term financing	5	411,239	411,419
Unclaimed dividend		26,807	23,584
Taxation - net		776,063	667,014
		11,925,495	6,450,732
TOTAL LIABILITIES		15,336,629	8,579,763
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		33,107,906	25,546,578

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



Chief Executive Officer



Director



Chief Financial Officer

	NOTE	Un-audited 31 December 2019 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	8,942,483	8,907,570
Investment properties		1,792,755	1,792,755
Long term investments	8	11,078,733	7,759,618
Long term deposits		52,589	52,589
		<hr/>	<hr/>
		21,866,560	18,512,532
Current Assets			
Stores, spare parts and loose tools		795,519	565,437
Stock-in-trade		5,805,885	3,814,347
Trade debts		2,455,384	1,455,119
Advances		979,516	370,271
Security deposits and short-term prepayments		29,975	24,078
Other receivables		1,064,418	536,987
Short term investments		65,747	51,441
Cash and bank balances		44,902	216,366
		<hr/>	<hr/>
		11,241,346	7,034,046
TOTAL ASSETS			
		<hr/>	<hr/>
		33,107,906	25,546,578



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)			
Revenue	11,934,010	10,380,045	6,529,813	5,470,120
Cost of Sales	(9,769,366)	(8,607,991)	(5,301,052)	(4,499,563)
Gross Profit	2,164,644	1,772,054	1,228,761	970,557
Distribution Cost	(415,581)	(256,664)	(233,199)	(132,758)
Administrative Expenses	(310,858)	(274,221)	(162,175)	(141,037)
Other Expenses	(133,205)	(98,701)	(89,281)	(66,484)
	(859,644)	(629,586)	(484,655)	(340,279)
	1,305,000	1,142,468	744,106	630,278
Other Income	235,090	435,664	201,831	400,577
Profit from Operations	1,540,090	1,578,132	945,937	1,030,855
Finance Cost	(355,437)	(202,452)	(250,599)	(114,587)
Profit before Taxation	1,184,653	1,375,680	695,338	916,268
Taxation				
- Current	(244,091)	(295,922)	(157,828)	(183,655)
- Deferred	88,372	15,530	71,291	16,943
	(155,719)	(280,392)	(86,537)	(166,712)
Profit after Taxation	1,028,934	1,095,288	608,801	749,556
Earnings per Share - Basic and Diluted (Rupees)	3.44	3.66	2.03	2.50

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)			
Profit after Taxation	1,028,934	1,095,288	608,801	749,556
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
Total Comprehensive Income for the Period	1,028,934	1,095,288	608,801	749,556

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Share Capital	Reserves							Total Reserves	Total Equity
	Capital Reserves			Revenue 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 30 June 2018 - Audited	2,992,964	986,077	3,843,044	4,829,121	1,450,491	6,548,050	7,998,541	12,827,662	15,820,626
Adjustment on adoption of IFRS 9	-	-	-	-	-	(5,863)	(5,863)	(5,863)	(5,863)
Adjusted total equity as at 01 July 2018	2,992,964	986,077	3,843,044	4,829,121	1,450,491	6,542,187	7,992,678	12,821,799	15,814,763
Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
Profit for the period	-	-	-	-	-	1,095,288	1,095,288	1,095,288	1,095,288
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,095,288	1,095,288	1,095,288	1,095,288
Balance as at 31 December 2018 - (Un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	7,338,179	8,788,670	13,617,791	16,610,755
Transaction with owners - Interim dividend for the year ended 30 June 2019 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
Profit for the period	-	-	-	-	-	655,356	655,356	655,356	655,356
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	655,356	655,356	655,356	655,356
Balance as at 30 June 2019 - Audited	2,992,964	986,077	3,843,044	4,829,121	1,450,491	7,694,239	9,144,730	13,973,851	16,966,815
Transaction with owners - Final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)
Profit for the period	-	-	-	-	-	1,028,934	1,028,934	1,028,934	1,028,934
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,028,934	1,028,934	1,028,934	1,028,934
Balance as at 31 December 2019 - (Un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,498,701	9,949,192	14,778,313	17,771,277

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



Chief Executive Officer



Director



Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTE	31 December 2019 (Rupees in thousand)	31 December 2018
Cash Flows from Operating Activities			
Cash (used in) / generated from operations	9	(1,832,113)	520,258
Finance cost paid		(277,021)	(185,429)
Income tax paid		(135,042)	(80,981)
Net increase in long term deposits		-	(1,465)
Net cash (used in) / generated from operating activities		(2,244,176)	252,383
Cash Flows from Investing Activities			
Capital expenditure on property, plant and equipment		(317,270)	(387,450)
Proceeds from sale of property, plant and equipment		14,694	2,353
Long term investment made		(3,343,934)	-
Short term investments made		(14,306)	(1,051,677)
Proceeds from disposal of long term investments		24,819	-
Proceeds from disposal of short term investments		-	1,051,322
Interest received		22,408	5,467
Dividends received		163,918	327,875
Net cash used in investing activities		(3,449,671)	(52,110)
Cash Flows from Financing Activities			
Proceeds from long-term financing		1,586,231	255,594
Repayment of long-term financing		(215,936)	(184,745)
Short term borrowings - net		4,373,337	71,567
Dividend paid		(221,249)	(298,044)
Net cash from / (used in) financing activities		5,522,383	(155,628)
Net (Decrease) / Increase in Cash and Cash Equivalents		(171,464)	44,645
Cash and Cash Equivalents at the Beginning of the Period		216,366	161,905
Cash and Cash Equivalents at the End of the Period		44,902	206,550

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. The Company and its Operations

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

2. Basis of Preparation

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

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

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

2.2. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These unconsolidated 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. Accounting Policies

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019. The Company has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lease accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

4. Critical Accounting Estimates and Judgements

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

5. Long Term Financing - Secured

	Un-audited 31 December 2019	Audited 30 June 2019
	(Rupees in thousand)	
Opening balance	1,946,718	1,723,400
Add: Obtained during the period / year	1,586,231	596,883
	3,532,949	2,320,283
Less: Repaid during the period / year	215,936	373,565
	3,317,013	1,946,718
Less: Current portion shown under current liabilities	411,239	411,419
Closing balance	2,905,774	1,535,299

6. Contingencies and Commitments

6.1. Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

6.2. Commitments in respect of:

- Letters of credit for capital expenditure amounting to Rupees 204.940 million (30 June 2019: Rupees 91.627 million).
- Letters of credit other than for capital expenditure amounting to Rupees 1,335.095 million (30 June 2019: Rupees 707.031 million).
- Contracts for capital expenditure amounting to Rupees 13.50 million (30 June 2019: Rupees 54.550 million).

	Note	Un-audited 31 December 2019	Audited 30 June 2019
(Rupees in thousand)			
7. Property, Plant and Equipment			
Operating fixed assets - Owned (Note 7.1)		8,818,518	8,831,769
Capital work-in-progress (Note 7.2)		123,965	75,801
		8,942,483	8,907,570
7.1. Operating Fixed Assets - Owned			
Opening book value		8,831,769	8,367,262
Add: Cost of additions during the period / year (Note 7.1.1)		269,106	1,015,911
		9,100,875	9,383,173
Less: Book value of deletions during the period / year (Note 7.1.2)		7,737	20,858
		9,093,138	9,362,315
Less: Depreciation charged during the period / year		274,620	530,546
Closing book value		8,818,518	8,831,769
7.1.1. Cost of additions			
Buildings		49,415	113,934
Plant and machinery		189,523	845,727
Services and other equipment		90	849
Computers and IT installations		688	4,771
Furniture and fixture		2,485	1,855
Office equipment		3,662	4,670
Vehicles		23,243	44,105
		269,106	1,015,911
7.1.2. Book value of deletions			
Plant and machinery		5,091	16,644
Computer and IT installations		26	147
Vehicles		2,620	4,067
		7,737	20,858
7.2. Capital Work-In-Progress			
Civil works and buildings		116,821	75,150
Plant and machinery		7,144	651
		123,965	75,801
8. Long Term Investments			
Equity instruments	8.1	11,078,733	7,734,799
Debt instrument - amortized cost		-	24,819
		11,078,733	7,759,618

	Note	Un-audited 31 December 2019 (Rupees in thousand)	Audited 30 June 2019
8.1. Equity instruments			
Subsidiary companies			
Maple Leaf Cement Factory Limited – Quoted	8.2	8,578,733	5,234,799
Maple Leaf Capital Limited - Un-quoted		2,500,000	2,500,000
		<u>11,078,733</u>	<u>7,734,799</u>

- 8.2. This includes advance of Rupees 3,344 million (30 June 2019: Rupees Nil) given to Maple Leaf Cement Factory Limited for purchase of 278,661,217 ordinary right shares of Rupees 10 each at a price of Rupees 12 per share (inclusive of premium of Rupees 2 per share). These right shares were allotted to the Company subsequent to the reporting period on 03 January 2020.

	Un-audited 31 December 2019 (Rupees in thousand)	Un-audited 31 December 2018
9. Cash (Used In) / Generated from Operations		
Profit before taxation	1,184,653	1,375,680
Adjustments for non-cash charges and other items:		
Depreciation	274,620	259,493
Finance cost	355,437	202,452
Gain on disposal of property, plant and equipment	(6,957)	(1,339)
Loss on sale of investments at fair value through profit or loss	-	8,397
Allowance for expected credit losses	33,027	-
Dividend income	(163,918)	(327,875)
Return on bank deposits	(22,408)	(6,231)
Working capital changes (Note 9.1)	(3,486,567)	(990,319)
	<u>(1,832,113)</u>	<u>520,258</u>
9.1. Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(230,082)	(181,304)
Stock-in-trade	(1,991,538)	(2,166,769)
Trade debts	(1,033,292)	110,581
Advances	(609,245)	455,895
Security deposits and short-term prepayments	(5,897)	(22,502)
Other receivables	(527,431)	235,737
	<u>(4,397,485)</u>	<u>(1,568,362)</u>
Increase in trade and other payables	910,918	578,043
	<u>(3,486,567)</u>	<u>(990,319)</u>

10. Segment Information

	Spinning		Weaving		Processing and Home Textile		Elimination of Inter-Segment Transactions		Total - Company	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)									
Revenue										
External	5,336,609	5,311,887	2,227,956	1,959,470	4,369,445	3,108,688	-	-	11,934,010	10,380,045
Inter-segment	1,160,458	251,221	940,348	710,982	628	-	(2,101,434)	(962,203)	-	-
Cost of sales	6,497,067	5,563,108	3,168,304	2,670,452	4,370,073	3,108,688	(2,101,434)	(962,203)	11,934,010	10,380,045
Gross profit	(5,561,826)	(4,611,016)	(2,856,615)	(2,454,253)	(3,452,359)	(2,504,925)	2,101,434	962,203	(9,769,366)	(8,607,991)
Distribution cost	935,241	952,092	311,689	216,199	917,714	603,763	-	-	2,164,644	1,772,054
Administrative expenses	(17,353)	(21,029)	(45,287)	(36,523)	(352,941)	(199,112)	-	-	(415,581)	(256,664)
Profit before tax and unallocated income and expenses	(122,853)	(106,761)	(73,599)	(70,841)	(114,406)	(96,619)	-	-	(310,858)	(274,221)
Unallocated income and expenses	(140,206)	(127,790)	(118,886)	(107,364)	(467,347)	(295,731)	-	-	(726,439)	(530,885)
Other expenses	795,035	824,302	192,803	108,835	450,367	308,032	-	-	1,438,205	1,241,169
Other income									(133,205)	(98,701)
Finance cost									235,090	435,664
Taxation									(355,437)	(202,452)
Profit after taxation									(155,719)	(280,392)
									(409,271)	(145,881)
									1,028,934	1,095,288

10.1. Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	(Rupees in thousand)							
Total assets for reportable segments	8,098,689	6,012,772	3,086,409	3,006,523	4,654,851	2,794,290	15,839,949	11,813,585
Unallocated assets							17,267,957	13,732,993
Total assets as per unconsolidated condensed interim Statement of financial position							33,107,906	25,546,578
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.								
Total liabilities for reportable segment	2,404,571	1,343,255	2,803,774	1,068,196	6,615,058	3,495,460	11,823,403	5,906,911
Unallocated liabilities							3,513,226	2,672,852
Total liabilities as per unconsolidated condensed interim statement of financial position							15,336,629	8,579,763
All segment liabilities are allocated to reportable segments other than trade and other payables, corporate borrowings and current and deferred tax liabilities								

11. Transactions with Related Parties

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

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
(Rupees in thousand)				
11.1. Transactions				
Subsidiary Companies:				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	77,862	39,663	46,702	36,997
Mark up paid	-	2,156	-	-
Mark up charged	6,685	5,215	3,742	-
Funds transferred	870,000	-	-	-
Receipts	600,000	-	600,000	-
Dividend received	163,918	327,836	163,918	-
Investment made	3,343,934	-	3,343,934	-
Maple Leaf Capital Limited				
Loan obtained	1,250,000	-	1,250,000	-
Loan repaid	125,000	371,530	125,000	-
Mark-up on loan	18,188	11,878	18,188	4,143
Other Related Parties:				
Company's contribution to provident fund trust	28,572	25,268	14,725	13,216
Remuneration of Chief Executive Officer, Directors and Executives	130,866	95,939	78,013	52,923
(Rupees in thousand)				
11.2. Period-end Balances				
Maple Leaf Cement Factory Limited				
Other receivables		209,525		-
Trade and other payables		-		(2,761)
Maple Leaf Capital Limited				
Long term financing		(1,125,000)		-
Accrued mark-up		(19,216)		(2,616)

12. Recognized Fair Value Measurements - Financial Instruments

12.1. Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the following three levels. However, as at reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1:

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

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which 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.

13. Recognized Fair Value Measurements – Non-Financial Assets

(i) Fair value hierarchy

The judgments and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2019	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand.....)			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	-	2,739,557
Total non-financial assets	-	4,532,312	-	4,532,312

At 30 June 2019	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand.....)			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	-	2,739,557
Total non-financial assets	-	4,532,312	-	4,532,312

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

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. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determine 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 31 December 2019, the fair values of the investment properties and freehold land have been determined by Anderson Consulting (Private) Limited.

Changes in fair values are analysed 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.

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 statement of the Company for the year ended 30 June 2019.

15. Date of Authorization For Issue

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 26 February 2020.

16. Non-adjusting Events After The Statement of Financial Position Date

The Board of Directors of Kohinoor Textile Mills Limited in their meeting held on 26 February 2020 proposed interim cash dividend of Rupee 1 per share (10%) amounting to Rupees 299.296 million.

17. Corresponding Figures

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

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

18. General

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



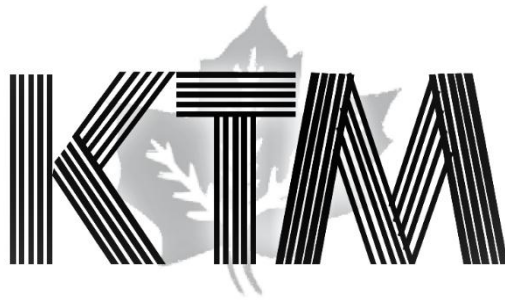
Chief Executive Officer



Director



Chief Financial Officer



KOHINOOR TEXTILE MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

HALF YEARLY REPORT
DECEMBER 31, 2019

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited consolidated condensed interim financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies for the half year ended 31 December 2019.

The subsidiaries companies of Kohinoor Textile Mills Limited are:

- Maple Leaf Cement Factory Limited (55.22%),
- Maple Leaf Power Limited (55.22%),
- Maple Leaf Capital Limited (82.92%) and
- Kohinoor Capital Limited (82.92%).

GROUP RESULTS

	HALF YEAR ENDED	
	31 December 2019	31 December 2018
	(Rupees in million)	
Net sales revenue	28,038	22,589
Gross profit	2,933	5,299
Profit from operations	843	3,926
Financial charges	2,000	932
Net (Loss) / Profit after taxation	(1,180)	2,261
	(Rupees)	
(Loss) / Earnings per share - Basic and diluted	(1.24)	5.36

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

MLCFL has reported net sales of Rupees 16,182 million (31 December 2018: Rupees 12,432 million) and after-tax loss of Rupees 2,452 million (Profit of 31 December 2018: Rupees 800 million). Despite a stunning growth in sales, the Company reported loss mainly due to reduced retention on account of competition in the local market against backdrop of excess cement supply.

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 685 million (31 December 2018: Rupees 534 million).

Maple Leaf Capital Limited (MLCL)

MLCL has reported after tax loss of Rupees 84 million (Profit of 31 December 2018: Rupees 43 million).

Kohinoor Capital Limited (KCL)

KCL was incorporated on 28 November 2018 and is a wholly owned subsidiary of MLCL. During the current period it has reported a loss of Rupees 303 million.

ACKNOWLEDGMENT

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

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)
Director



(Taufique Sayeed Saigol)
Chief Executive

Lahore
26 February 2020

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	Un-audited 31 December 2019 (Rupees in thousand)	Audited 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
370,000,000 (30 June 2019: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2019: 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			
299,296,456 (30 June 2019: 299,296,456) ordinary shares of Rupees 10 each		2,992,964	2,992,964
Share deposit money		2,711,812	-
RESERVES			
Capital Reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		4,036,717	4,036,717
		5,022,794	5,022,794
Revenue Reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		19,344,325	19,940,200
		20,794,816	21,390,691
Equity attributable to equity holders of the Holding Company		31,522,386	29,406,449
Non-controlling interest		12,860,213	13,801,463
TOTAL EQUITY		44,382,599	43,207,912
LIABILITIES			
Non-Current Liabilities			
Long term financing - secured	5	14,475,967	17,525,526
Long term deposits		8,664	8,664
Retirement benefits		230,778	205,354
Retention money payable		381,841	368,499
Deferred income tax liability		2,979,492	3,106,416
		18,076,742	21,214,459
Current Liabilities			
Trade and other payables		10,511,862	9,618,449
Accrued mark-up		881,133	654,226
Unclaimed dividend		78,356	64,148
Short term borrowings		13,332,527	7,834,559
Current portion of long term financing	5	1,668,675	1,726,554
		26,472,553	19,897,936
TOTAL LIABILITIES		44,549,295	41,112,395
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		88,931,894	84,320,307

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



Chief Executive Officer



Director



Chief Financial Officer

	NOTE	Un-audited 31 December 2019 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	55,218,135	56,312,808
Investment properties		1,792,755	1,792,755
Intangibles		11,264	13,530
Long term investment		-	24,819
Long term loans to employees		24,306	19,824
Long term deposits		109,059	109,469
		57,155,519	58,273,205
Current Assets			
Stores, spare parts and loose tools		8,155,911	8,006,508
Stock -in- trade		8,111,289	5,553,361
Trade debts		7,052,598	4,227,634
Loans and advances		2,076,637	1,187,272
Security deposits and short-term prepayments		270,462	214,114
Other receivables		905,915	855,204
Taxation - net		936,451	542,137
Short term investments		3,032,842	4,467,921
Cash and bank balances		1,234,270	992,951
		31,776,375	26,047,102
TOTAL ASSETS		88,931,894	84,320,307



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)			
Revenues	28,038,441	22,589,492	15,518,362	12,027,257
Cost of Sales	(25,105,124)	(17,290,010)	(13,714,339)	(9,262,151)
Gross Profit	2,933,317	5,299,482	1,804,023	2,765,106
Distribution Cost	(870,179)	(646,268)	(513,823)	(140,283)
Administrative Expenses	(799,077)	(678,043)	(420,020)	(333,620)
Other Expenses	(701,343)	(277,446)	(540,009)	(166,561)
	(2,370,599)	(1,601,757)	(1,473,852)	(640,464)
	562,718	3,697,725	330,171	2,124,642
Other Income	280,214	228,091	56,978	85,162
Profit from Operations	842,932	3,925,816	387,149	2,209,804
Finance Cost	(2,000,004)	(932,033)	(1,098,532)	(514,093)
(Loss) / Profit before Taxation	(1,157,072)	2,993,783	(711,383)	1,695,711
Taxation	(22,652)	(733,209)	31,672	(491,887)
(Loss) / Profit after Taxation	(1,179,724)	2,260,574	(679,711)	1,203,824
Share of (Loss) / Profit Attributable to:				
Equity Holders of Holding Company	(371,403)	1,603,771	(285,510)	846,337
Non-Controlling Interest	(808,321)	656,803	(394,201)	357,487
	(1,179,724)	2,260,574	(679,711)	1,203,824
(Loss) / Earnings per Share - Basic and Diluted (Rupees)	(1.24)	5.36	(0.95)	2.83

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)			
(Loss) / Profit after Taxation	(1,179,724)	2,260,574	(679,711)	1,203,824
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
Total Comprehensive (Loss) / Income for the Period	(1,179,724)	2,260,574	(679,711)	1,203,824
Share of Total Comprehensive (Loss) / Income Attributable to:				
Equity Holders of Holding Company	(371,403)	1,603,771	(285,510)	846,337
Non-Controlling Interest	(808,321)	656,803	(394,201)	357,487
	(1,179,724)	2,260,574	(679,711)	1,203,824

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


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Attributable to Equity Holders of the Holding Company									Non-Controlling Interest	Total Equity	
	Share Capital	Share deposit Money	Reserves						Total Reserves			Total
			Capital Reserves			Revenue 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 30 June 2018 - Audited	2,992,964	-	986,077	4,036,717	5,022,794	1,450,491	17,480,368	18,930,859	23,953,653	26,946,617	12,869,953	39,816,570
Adjustment on adoption of IFRS 9	-	-	-	-	-	-	(55,263)	(55,263)	(55,263)	(55,263)	(40,060)	(95,323)
Adjusted total equity as at 01 July 2018	2,992,964	-	986,077	4,036,717	5,022,794	1,450,491	17,425,105	18,875,596	23,898,390	26,891,354	12,829,893	39,721,247
Transactions with owners:												
- Final dividend for the year ended 30 June 2018 @ Rupee 1.00 per share	-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Dividend paid to non-controlling interest holder	-	-	-	-	-	-	-	-	-	-	(265,859)	(265,859)
	-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(265,859)	(565,155)
Profit for the period	-	-	-	-	-	-	1,603,771	1,603,771	1,603,771	1,603,771	656,803	2,260,574
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,603,771	1,603,771	1,603,771	1,603,771	656,803	2,260,574
Balance as at 31 December 2018 - (Unaudited)	2,992,964	-	986,077	4,036,717	5,022,794	1,450,491	18,729,580	20,180,071	25,202,865	28,195,829	13,220,837	41,416,666
Transaction with owners:												
- Interim dividend for the year ended 30 June 2019 @ Rupee 1.00 per share	-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
Profit for the period	-	-	-	-	-	-	1,523,836	1,523,836	1,523,836	1,523,836	591,915	2,115,751
Other comprehensive income for the period	-	-	-	-	-	-	(13,920)	(13,920)	(13,920)	(13,920)	(11,289)	(25,209)
Total comprehensive income for the period	-	-	-	-	-	-	1,509,916	1,509,916	1,509,916	1,509,916	580,626	2,090,542
Balance as at 30 June 2019 - Audited	2,992,964	-	986,077	4,036,717	5,022,794	1,450,491	19,940,200	21,390,691	26,413,485	29,406,449	13,801,463	43,207,912
Share deposit money received during the period	-	2,711,812	-	-	-	-	-	-	-	-	-	2,711,812
Transactions with owners:												
- Final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)	-	(224,472)
- Dividend paid to non-controlling interest holder	-	-	-	-	-	-	-	-	-	-	(132,929)	(132,929)
	-	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)	(132,929)	(357,401)
Loss for the period	-	-	-	-	-	-	(371,403)	(371,403)	(371,403)	(371,403)	(808,321)	(1,179,724)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(371,403)	(371,403)	(371,403)	(371,403)	(808,321)	(1,179,724)
Balance as at 31 December 2019 - (Unaudited)	2,992,964	2,711,812	986,077	4,036,717	5,022,794	1,450,491	19,344,325	20,794,816	25,817,610	28,810,574	12,860,213	44,382,599

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTE	31 December 2019	31 December 2018
(Rupees in thousand)			
Cash Flows from Operating Activities			
Cash (used in) / generated from operations	8	(2,887,268)	3,998,805
Finance cost paid		(1,773,097)	(758,953)
Compensated absences paid		(13,404)	(15,937)
Net increase / (decrease) in retention money		13,342	(57,873)
Income tax paid		(543,890)	(621,867)
Net increase in long term loans to employees		(4,482)	(3,217)
Net decrease / increase in long term deposits		410	(1,791)
Net cash (used in) / generated from operating activities		(5,208,389)	2,539,167
Cash Flows from Investing Activities			
Capital expenditure on property, plant and equipment		(867,779)	(5,343,237)
Interest received		25,618	14,629
Proceeds from disposal of property, plant and equipment		61,823	40,741
Proceeds from disposal of long term investment		24,819	-
Short term investments made		(3,861,533)	(1,468,837)
Proceeds from disposal of short term investments		5,307,616	1,051,322
Dividend received		-	38
Net cash generated from / (used in) investing activities		690,564	(5,705,344)
Cash Flows from Financing Activities			
Share deposit money received		2,711,812	-
Proceeds from long-term financing		461,231	4,131,334
Short term borrowings - net		5,497,968	(149,057)
Repayment of long-term financing		(3,568,669)	(184,745)
Redemption of preference shares		(5)	(18)
Dividend paid		(343,193)	(559,623)
Net cash from financing activities		4,759,144	3,237,891
Net Increase in Cash and Cash Equivalents		241,319	71,714
Cash and Cash Equivalents at the Beginning of the Period		992,951	1,104,743
Cash and Cash Equivalents at the End of the Period		1,234,270	1,176,457

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. The Group and its Operations

1.1. Holding Company

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

The Holding Company holds 55.22% (30 June 2019: 55.22%) shares of Maple Leaf Cement Factory Limited, 82.92% (30 June 2019: 82.92%) shares of Maple Leaf Capital Limited, 55.22% (30 June 2019: 55.22%) shares of Maple Leaf Power Limited and 82.92% (30 June 2019: 82.92%) shares of Kohinoor Capital Limited.

1.2. Subsidiary Companies

Maple Leaf Cement Factory Limited (MLCFL)

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 and was listed on stock exchange in Pakistan on 17 August, 1994. The registered office of the Subsidiary is situated at 42-Lawrence Road, Lahore. The Subsidiary is engaged in production and sale of cement.

Maple Leaf Capital Limited (MLCL)

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

Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited ("the Subsidiary") was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (Now the Companies Act, 2017). The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal objective 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.

Kohinoor Capital Limited (KCL)

Kohinoor Capital Limited was incorporated in Pakistan on 28 November 2018 as a public company limited by shares under the Companies Act, 2017. Its registered office and head office are situated at 42-Lawrence Road, Lahore. The principal objects of the Company are to buy, sell, hold or

otherwise acquire or invest the capital in any sort of financial instruments and commodities. The KCL is a wholly owned subsidiary of Maple Leaf Capital Limited, which is subsidiary of the Holding company.

2. Basis of Preparation

These consolidated 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.

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

3. Accounting Policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2019. The Group has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lease accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

4. Critical Accounting Estimates and Judgements

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

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2019.

5. Long Term Financing - Secured

	Un-audited 31 December 2019	Audited 30 June 2019
	(Rupees in thousand)	
Opening balance	19,252,080	15,476,096
Add: Obtained during the period / year	461,231	4,149,549
	19,713,311	19,625,645
Less: Repaid during the period / year	3,568,669	373,565
	16,144,642	19,252,080
Less: Current portion shown under current liabilities	1,668,675	1,726,554
Closing balance	14,475,967	17,525,526

6. Contingencies and Commitments

6.1. Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2019.

6.2. Commitments in respect of:

- Letter of credit for capital expenditure are Rupees 853.290 million (30 June 2019: Rupees 621.626 million).
- Letters of credit other than for capital expenditure amount to Rupees 1725.716 million (30 June 2019: Rupees 1,033.108 million).
- Contracts for capital expenditure amounting to Rupees 13.5 million (30 June 2019: Rupees 54.550 million).
- Future contracts - shares in respect of which the settlement is outstanding amounting Rupees 1571.252 million (30 June 2019: Rupees 1,830.274 million).
- Future contracts - gold in respect of which the settlement is outstanding amounting to Rupees 305.742 million (30 June 2019: Rupees 909.750 million).

7. Property, Plant and Equipment

	Un-audited 31 December 2019	Audited 30 June 2019
	(Rupees in thousand)	
Operating fixed assets - owned (Note 7.1)	54,294,993	55,748,674
Capital work-in-progress (Note 7.2)	923,142	564,134
	55,218,135	56,312,808

	Un-audited 31 December 2019 (Rupees in thousand)	Audited 30 June 2019
7.1. Operating Fixed Assets - Owned		
Opening book value	55,748,674	31,760,197
Add: Cost of additions during the period / year (Note 7.1.1)	508,771	27,005,942
	56,257,445	58,766,139
Less: Book value of deletions during the period / year (Note 7.1.2)	33,219	135,776
	56,224,226	58,630,363
Less: Depreciation charged during the period / year	1,929,233	2,881,689
Closing book value	54,294,993	55,748,674
7.1.1. Cost of additions		
Land	-	767,136
Buildings	97,179	7,525,299
Plant and machinery	361,555	18,537,907
Service and other equipment	90	849
Computer and IT installations	1,235	5,825
Furniture and fixture	8,775	26,166
Office equipment	3,662	5,713
Quarry equipment	5,713	7,080
Vehicles	30,562	129,967
	508,771	27,005,942
7.1.2. Book value of deletions		
Plant and machinery	20,646	114,210
Computer and IT installations	68	175
Vehicles	12,505	21,391
	33,219	135,776
7.2. Capital Work-In-Progress		
Plant and machinery	183,465	21,806
Civil Works	575,524	381,355
Stores held for capitalization	60,980	59,917
Advances to suppliers against:		
Plant and machinery	60,520	68,720
Civil works	42,625	30,376
Vehicles	28	1,710
Others- major spare parts and stand-by equipment	-	250
	923,142	564,134

	Un-audited 31 December 2019	Un-audited 31 December 2018
	(Rupees in thousand)	
8. Cash (Used in) / Generated from Operations		
(Loss) / Profit before taxation	(1,157,072)	2,993,783
Adjustments for non-cash charges and other items:		
Depreciation	1,929,233	1,375,315
Amortization	2,266	5,150
Finance cost	2,000,004	932,033
Employees' compensated absences	38,828	28,814
Bad debts written off	5,643	-
Allowance for expected credit losses	33,027	-
Advances written off	1,467	-
Gain / (loss) on disposal of property, plant and equipment	(28,604)	18,479
Unrealized (Gain) / Loss on remeasurement of investments at fair value	(11,004)	127,180
Loss on disposal of investment at fair values through profit or loss	-	8,397
Return on bank deposits	(25,618)	(15,639)
Dividend received	-	(38)
Working capital changes (Note 8.1)	(5,675,438)	(1,474,669)
	(2,887,268)	3,998,805
8.1. Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(149,403)	(1,210,397)
Stock-in-trade	(2,557,928)	(2,648,660)
Trade debts	(2,863,634)	308,344
Loans and advances	(890,832)	989,565
Security deposits and short-term prepayments	(56,348)	(78,588)
Other receivables	(50,711)	241,911
	(6,568,856)	(2,397,825)
Increase in trade and other payables	893,418	923,156
	(5,675,438)	(1,474,669)

9. Transactions with Related Parties

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

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)			
9.1. Other related parties:				
Group's contribution to employee's benefits	115,125	105,326	60,800	52,697
Remuneration paid to Chief Executive Officers, Directors and Executives	365,566	295,480	220,033	166,728

10. Segment Information

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of Inter-Segment Transactions		Group	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)															
Revenue																
External	5,336,609	5,311,887	2,227,956	1,959,470	4,369,445	3,108,688	16,104,431	12,209,447	-	-	-	-	-	-	28,038,441	22,589,492
Inter-segment	1,160,458	251,221	940,348	710,982	628	-	77,862	39,663	-	-	-	-	(2,179,296)	(1,001,866)	-	-
Cost of sales	(5,561,826)	(4,611,016)	(2,856,615)	(2,454,253)	(3,452,359)	(2,504,925)	(15,413,620)	(8,721,682)	-	-	-	-	2,179,296	1,001,866	(25,105,124)	(17,290,010)
Gross profit	935,241	952,092	311,689	216,199	917,714	603,763	768,673	3,527,428	-	-	-	-	-	-	2,933,317	5,299,482
Distribution cost	(17,353)	(21,029)	(45,287)	(36,523)	(352,941)	(199,112)	(454,598)	(389,604)	-	-	-	-	-	-	(870,179)	(646,268)
Administrative expenses	(122,853)	(106,761)	(73,599)	(70,841)	(114,406)	(96,619)	(388,395)	(355,574)	(96,052)	(46,010)	(3,772)	(2,238)	-	-	(799,077)	(678,043)
Profit / (loss) before tax and unallocated income and expenses	(140,206)	(127,790)	(118,886)	(107,364)	(467,347)	(295,731)	(842,993)	(745,178)	(96,052)	(46,010)	(3,772)	(2,238)	-	-	(1,669,256)	(1,324,311)
Unallocated income and expenses	795,035	824,302	192,803	108,835	450,367	308,032	(74,320)	2,782,250	(96,052)	(46,010)	(3,772)	(2,238)	-	-	1,264,061	3,975,171
Other expenses															(701,343)	(277,446)
Other income															280,214	228,091
Finance cost															(2,000,004)	(932,031)
Taxation															(22,652)	(733,209)
(Loss) / Profit after taxation															(2,443,785)	(1,714,597)
															(1,179,724)	2,260,574

10.1. Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	(Rupees in thousand)													
Total assets for reportable segments	8,098,689	6,012,772	3,086,409	3,006,523	4,654,851	2,794,290	55,844,070	55,232,313	3,585,135	5,231,747	8,300,766	6,967,504	83,569,920	79,245,149
Unallocated assets													5,361,974	5,075,158
Total assets as per consolidated condensed interim Statement of financial position													88,931,894	84,320,307
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.														
Total liabilities for reportable segment	2,404,571	1,343,255	2,803,774	1,068,196	6,615,058	3,495,460	21,191,246	22,508,851	51,187	-	862,809	695,655	33,928,645	29,111,417
Unallocated liabilities													10,620,650	12,000,978
Total liabilities as per consolidated condensed interim statement of financial position													44,549,295	41,112,395
All segment liabilities are allocated to reportable segments other than trade and other payables, corporate borrowings and current and deferred tax liabilities.														

11. Recognized Fair Value Measurements - Financial Instruments

11.1 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 consolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the following three levels. However, as at reporting date, the Group has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and 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 Group is the current bid price. These instruments are included in level 1.

Level 2:

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

Level 3:

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

12. Recognized Fair Value Measurements – Non-Financial Assets

(i) Fair value hierarchy

The judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 31 December 2019	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand.....)			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,725,309	430,096	3,155,405
Investment in gold	8,754	-	-	8,754
Total non-financial assets	8,754	4,518,064	430,096	4,956,914

At 30 June 2019	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand.....)			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,725,309	430,096	3,155,405
Investment in gold	725,456	-	-	725,456
Total non-financial assets	725,456	4,518,064	430,096	5,673,616

The Group'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 period. Further, there was no transfer in and out of level 3 measurements.

Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) at least annually. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determine 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.

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

13. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statement of the Group for the year ended 30 June 2019.

14. Date of Authorization For Issue

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 26 February 2020.

15. Non-adjusting Events after the Statement of Financial Position Date

The Board of Directors of the Holding Company in their meeting held on 26 February 2020 proposed interim cash dividend of Rupee 1 per share (10%) amounting to Rupees 299.296 million.

16. Corresponding Figures

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

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

17. General

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



Chief Executive Officer



Director



Chief Financial Officer



Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,

Lahore, Pakistan