



3rd QUARTERLY REPORT MARCH 31, 2020



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	
Ms. Jahanara Saigol	
Mr. Shafiq Ahmed Khan	
Mr. Zulfikar Monnoo	
Mr. Syed Mohsin Raza Naqvi	

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser

Mr. Abdul Rehman Qureshi
Advocate High Court

Registered Office

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

Share Registrar

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

Bankers of the Company

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
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 of your Company have pleasure to present financial statements for the nine months ended 31 March 2020, in compliance with requirements of Section 237 of the Companies Act, 2017.

Review of Operations

All divisions of the Company were performing reasonably well until the last 10 days of the previous quarter when the full-impact of the global pandemic began to be felt here with suspension of all export orders. Local markets were also closed, resulting in a precipitous drop in sales. Comparing the financial results of the nine months under review to those of the corresponding period of the previous year, we see that the Company performed well and was on its way to having a strong year. Going forward, however, the results of the coming quarter will be highly dependent on the opening of North American, European and local markets. With an eye to partial opening of these markets in the coming months, the Company has begun to slowly resume its operations.

The Board has decided that under these very difficult circumstances, the Company will provide as much support as possible to its workforce and for as long as it can so as to reduce pressure on them in these trying times.

It is hoped that the world recovers rapidly from this pandemic and our prayers go to everyone regardless of caste or creed.

Financial Review

During the period under review, Company's sales increased by 16.84% to Rupees 18,153 million (2019: Rupees 15,536 million), while cost of sales increased by 14.44% to Rupees 14,782 million (2019: Rupees 12,917 million). This resulted in gross profit of Rupees 3,371 million (2019: Rupees 2,619 million).

Operating profit for the period under review stood at Rupees 2,356 million (2019: Rupees 2,158 million). The Company recorded after tax profit of Rupees 1,469 million (2019: Rupees 1,421 million). Earnings per share for the nine months ended 31 March 2020 stood at Rupees 4.91 against Rupees 4.75 for the corresponding period last year.

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
24 April 2020

UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	NOTE	Un-audited 31 March 2020	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
		<u>4,000,000</u>	<u>4,000,000</u>
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
		<u>4,829,121</u>	<u>4,829,121</u>
Revenue Reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		8,639,333	7,694,239
		<u>10,089,824</u>	<u>9,144,730</u>
TOTAL EQUITY		<u>17,911,909</u>	<u>16,966,815</u>
LIABILITIES			
Non-Current Liabilities			
Long term financing - secured	5	2,825,531	1,535,299
Deferred income tax liability		516,833	593,732
		<u>3,342,364</u>	<u>2,129,031</u>
Current Liabilities			
Trade and other payables		2,991,673	2,133,377
Accrued mark-up		237,889	73,815
Short term borrowings		8,139,797	3,141,523
Current portion of long term financing	5	416,791	411,419
Unclaimed dividend		26,332	23,584
Taxation - net		759,866	667,014
		<u>12,572,348</u>	<u>6,450,732</u>
TOTAL LIABILITIES		<u>15,914,712</u>	<u>8,579,763</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>33,826,621</u>	<u>25,546,578</u>

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

Chief Executive Officer

Director

Chief Financial Officer

	NOTE	Un-audited 31 March 2020	Audited 30 June 2019
(Rupees in thousand)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	9,468,011	8,907,570
Investment properties		1,792,755	1,792,755
Long term investments	8	11,078,733	7,759,618
Long term deposits		52,848	52,589
		22,392,347	18,512,532
Current Assets			
Stores, spare parts and loose tools		829,548	565,437
Stock-in-trade		5,563,688	3,814,347
Trade debts		2,907,666	1,455,119
Advances		821,675	370,271
Security deposits and short-term prepayments		19,383	24,078
Other receivables		1,134,779	536,987
Short term investments		75,747	51,441
Cash and bank balances		81,788	216,366
		11,434,274	7,034,046
TOTAL ASSETS		33,826,621	25,546,578



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2020

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
Revenue	18,152,708	15,535,787	6,218,698	5,155,742
Cost of Sales	(14,781,965)	(12,917,258)	(5,012,599)	(4,309,267)
Gross Profit	3,370,743	2,618,529	1,206,099	846,475
Distribution Cost	(644,869)	(401,236)	(229,288)	(144,572)
Administrative Expenses	(455,707)	(404,537)	(144,849)	(130,316)
Other Expenses	(172,441)	(129,466)	(39,236)	(30,765)
	(1,273,017)	(935,239)	(413,373)	(305,653)
	2,097,726	1,683,290	792,726	540,822
Other Income	258,234	475,137	23,144	39,473
Profit from Operations	2,355,960	2,158,427	815,870	580,295
Finance Cost	(613,066)	(309,999)	(257,629)	(107,547)
Profit before Taxation	1,742,894	1,848,428	558,241	472,748
Taxation				
- Current	(350,931)	(421,844)	(106,840)	(125,922)
- Deferred	76,899	(5,656)	(11,473)	(21,186)
	(274,032)	(427,500)	(118,313)	(147,108)
Profit after Taxation	1,468,862	1,420,928	439,928	325,640
Earnings per Share - Basic and Diluted (Rupees)	4.91	4.75	1.47	1.09

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 NINE MONTHS ENDED 31 MARCH 2020

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Profit after Taxation	1,468,862	1,420,928	439,928	325,640
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	1,468,862	1,420,928	439,928	325,640

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 NINE MONTHS ENDED 31 MARCH 2020

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	6,542,187	7,992,678	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)
- Interim dividend for the year ended 30 June 2019 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
						(598,592)	(598,592)	(598,592)	(598,592)
Profit for the period	-	-	-	-	-	1,420,928	1,420,928	1,420,928	1,420,928
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,420,928	1,420,928	1,420,928	1,420,928
Balance as at 31 March 2019 - (Un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	7,364,523	8,815,014	13,644,135	16,637,099
Transaction with owners:									
- Final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	329,716	329,716	329,716	329,716
- Interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
	-	-	-	-	-	(523,768)	(523,768)	(523,768)	(523,768)
Profit for the period	-	-	-	-	-	1,468,862	1,468,862	1,468,862	1,468,862
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,468,862	1,468,862	1,468,862	1,468,862
Balance as at 31 March 2020 - (Un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,639,333	10,089,824	14,918,945	17,911,909

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 NINE MONTHS ENDED 31 MARCH 2020

	NOTE	31 March 2020 (Rupees in thousand)	31 March 2019
Cash Flows from Operating Activities			
Cash (used in) / generated from operations	9	(1,378,216)	1,211,733
Finance cost paid		(448,992)	(290,185)
Income tax paid		(258,079)	(197,581)
Net increase in long term deposits		(259)	(6,916)
Net cash (used in) / generated from operating activities		(2,085,546)	717,051
Cash Flows from Investing Activities			
Capital expenditure on property, plant and equipment		(1,002,506)	(613,172)
Proceeds from sale of property, plant and equipment		30,839	36,685
Long term investment made		(3,343,934)	-
Short term investments made		(24,306)	(1,051,677)
Proceeds from disposal of long term investments		24,819	-
Proceeds from disposal of short term investments		-	1,051,322
Interest received		29,984	8,742
Dividends received		163,918	327,875
Net cash used in investing activities		(4,121,186)	(240,225)
Cash Flows from Financing Activities			
Proceeds from long-term financing		1,994,653	370,470
Repayment of long-term financing		(699,049)	(273,629)
Short term borrowings - net		4,998,274	4,438
Dividend paid		(221,724)	(298,906)
Net cash from / (used in) financing activities		6,072,154	(197,627)
Net (Decrease) / Increase in Cash and Cash Equivalents		(134,578)	279,199
Cash and Cash Equivalents at the Beginning of the Period		216,366	161,905
Cash and Cash Equivalents at the End of the Period		81,788	441,104

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 NINE MONTHS ENDED 31 MARCH 2020

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 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 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
Opening balance	1,946,718	1,723,400
Add: Obtained during the period / year	1,994,653	596,883
	3,941,371	2,320,283
Less: Repaid during the period / year	699,049	373,565
	3,242,322	1,946,718
Less: Current portion shown under current liabilities	416,791	411,419
Closing balance	2,825,531	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 351.202 million (30 June 2019: Rupees 91.627 million).
- Letters of credit other than for capital expenditure amounting to Rupees 647.186 million (30 June 2019: Rupees 707.031 million).
- Contracts for capital expenditure amounting to Rupees Nil (30 June 2019: Rupees 54.550 million).

	Note	Un-audited 31 March 2020 (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
		11,078,733	7,734,799

- 8.2. This includes Rupees 3,344 million (30 June 2019: Rupees Nil) paid to Maple Leaf Cement factory Limited against 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 on 03 January 2020.

	Un-audited 31 March 2020 (Rupees in thousand)	Un-audited 31 March 2019
9. Cash (Used In) / Generated from Operations		
Profit before taxation	1,742,894	1,848,428
Adjustments for non-cash charges and other items:		
Depreciation	425,270	393,993
Finance cost	613,066	309,999
Gain on disposal of property, plant and equipment	(14,044)	(18,993)
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	(29,984)	(8,618)
Working capital changes (Note 9.1)	(3,984,527)	(993,598)
	(1,378,216)	1,211,733
9.1. Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(264,111)	(106,461)
Stock-in-trade	(1,749,341)	(1,733,860)
Trade debts	(1,485,574)	(73,009)
Advances	(451,404)	433,442
Security deposits and short-term prepayments	4,695	(12,949)
Other receivables	(597,792)	104,153
	(4,543,527)	(1,388,684)
Increase in trade and other payables	559,000	395,086
	(3,984,527)	(993,598)

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	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)									
Revenue										
External	8,024,009	8,007,617	3,239,760	2,945,604	6,888,939	4,582,566	-	-	18,152,708	15,535,787
Inter-segment	1,365,048	365,557	1,332,239	1,054,375	628	-	(2,697,915)	(1,419,932)	-	-
Cost of sales	9,389,057	8,373,174	4,571,999	3,999,979	6,889,567	4,582,566	(2,697,915)	(1,419,932)	18,152,708	15,535,787
Gross profit	(7,897,843)	(6,919,928)	(4,116,006)	(3,688,892)	(5,466,031)	(3,728,370)	2,697,915	1,419,932	(14,781,965)	(12,917,258)
Distribution cost	1,491,214	1,453,246	455,993	311,087	1,423,536	854,196	-	-	3,370,743	2,618,529
Administrative expenses	(32,165)	(32,196)	(65,251)	(53,912)	(547,453)	(315,128)	-	-	(644,869)	(401,236)
	(178,145)	(163,250)	(107,967)	(102,902)	(169,595)	(138,385)	-	-	(455,707)	(404,537)
Profit before tax and unallocated income and expenses	(210,310)	(195,446)	(173,218)	(156,814)	(717,048)	(453,513)	-	-	(1,100,576)	(805,773)
Unallocated income and expenses	1,280,904	1,257,800	282,775	154,273	706,488	400,683	-	-	2,270,167	1,812,756
Other expenses									(172,441)	(129,466)
Other income									258,234	475,137
Finance cost									(613,066)	(309,999)
Taxation									(274,032)	(427,500)
Profit after taxation									(801,305)	(391,828)
									1,468,862	1,420,928

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 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019
	(Rupees in thousand)							
Total assets for reportable segments	7,884,685	6,012,772	3,123,616	3,006,523	5,423,163	2,794,290	16,431,464	11,813,585
Unallocated assets							17,395,157	13,732,993
Total assets as per unconsolidated condensed interim Statement of financial position							33,826,621	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	2,369,028	1,343,255	2,655,912	1,068,196	7,422,703	3,495,460	12,447,643	5,906,911
Unallocated liabilities							3,467,069	2,672,852
Total liabilities as per unconsolidated condensed interim statement of financial position							15,914,712	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 Nine months ended		Un-audited Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(Rupees in thousand)				
11.1. Transactions				
Subsidiary Companies:				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	104,749	79,156	26,887	39,493
Mark up paid	-	3,527	-	1,371
Mark up charged	6,685	6,551	-	1,336
Funds transferred	870,000	-	-	-
Receipts	600,000	-	-	-
Dividend received	163,918	327,837	-	-
Investment made	3,343,934	-	-	-
Maple Leaf Capital Limited				
Loan obtained	1,250,000	-	-	-
Loan repaid	395,812	431,530	270,812	60,000
Mark-up on loan	38,890	13,488	20,702	1,610
Other Related Parties:				
Company's contribution to provident fund trust	42,855	37,844	14,283	12,576
Remuneration of Chief Executive Officer, Directors and Executives	184,453	151,943	53,587	56,004

	Un-audited	Audited
	31 March 2020	30 June 2019
(Rupees in thousand)		
11.2. Period-end Balances		
Maple Leaf Cement Factory Limited		
Other receivables	183,157	-
Trade and other payables	-	(2,761)
Maple Leaf Capital Limited		
Long term financing	(854,188)	-
Accrued mark-up	(39,918)	(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 March 2020	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand.....)			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	-	2,739,557
Total non-financial assets	-	4,532,312	-	4,532,312

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.

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

Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) at least annually. 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 March 2020, 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 24 April 2020.

16. 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.

17. General

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



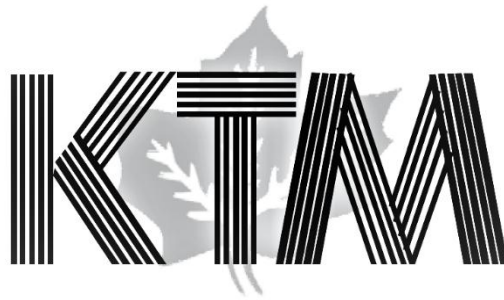
Chief Executive Officer



Director



Chief Financial Officer



KOHINOOR TEXTILE MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

THIRD QUARTERLY REPORT
MARCH 31, 2020

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 nine months ended 31 March 2020.

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

	NINE MONTHS ENDED	
	31 March 2020	31 March 2019
	(Rupees in million)	
Net sales revenue	41,145	33,733
Gross profit	4,302	7,599
Profit from operations	986	5,772
Financial charges	2,926	1,336
Net (Loss) / Profit after taxation	(1,980)	3,375
	(Rupees)	
(Loss) / Earnings per share - Basic and diluted	(2.37)	8.04

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

MLCFL has reported net sales of Rupees 23,097 million (31 March 2019: Rupees 18,537 million) and after-tax loss of Rupees 3,734 million (Profit of 31 March 2019: Rupees 1,151 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 1,006 million (31 March 2019: Rupees 742 million).

Maple Leaf Capital Limited (MLCL)

MLCL has reported after tax loss of Rupees 345 million (Profit of 31 March 2019: Rupees 209 million).

Kohinoor Capital Limited (KCL)

KCL was incorporated on 28 November 2018 and is a wholly owned subsidiary of MLCL. KCL has reported after tax loss of Rupees 377 million (Profit of 31 March 2019: Rupees 9 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
24 April 2020

CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	NOTE	Un-audited 31 March 2020 (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
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		18,674,321	19,940,200
		20,124,812	21,390,691
Equity attributable to equity holders of the Holding Company		28,140,570	29,406,449
Non-controlling interest		15,082,091	13,801,463
TOTAL EQUITY		43,222,661	43,207,912
LIABILITIES			
Non-Current Liabilities			
Long term financing - secured	5	13,301,778	17,525,526
Long term deposits		8,664	8,664
Retirement benefits		234,022	205,354
Retention money payable		388,512	368,499
Deferred income tax liability		2,994,497	3,106,416
		16,927,473	21,214,459
Current Liabilities			
Trade and other payables		11,414,247	9,618,449
Accrued mark-up		839,174	654,226
Unclaimed dividend		74,501	64,148
Short term borrowings		16,194,689	7,834,559
Current portion of long term financing	5	416,791	1,726,554
		28,939,402	19,897,936
TOTAL LIABILITIES		45,866,875	41,112,395
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		89,089,536	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 March 2020 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	55,232,022	56,312,808
Investment properties		1,792,755	1,792,755
Intangibles		10,143	13,530
Long term investment		10,000	24,819
Long term loans to employees		21,812	19,824
Long term deposits		109,268	109,469
		<hr/>	<hr/>
		57,176,000	58,273,205
Current Assets			
Stores, spare parts and loose tools		8,591,883	8,006,508
Stock -in- trade		7,536,369	5,553,361
Trade debts		7,475,187	4,227,634
Loans and advances		2,127,596	1,187,272
Security deposits and short-term prepayments		222,089	214,114
Other receivables		1,359,119	855,204
Taxation - net		914,928	542,137
Short term investments		2,508,027	4,467,921
Cash and bank balances		1,178,338	992,951
		<hr/>	<hr/>
		31,913,536	26,047,102
TOTAL ASSETS			
		<hr/>	<hr/>
		89,089,536	84,320,307



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**
FOR THE NINE MONTHS ENDED 31 MARCH 2020

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
Revenues	41,144,732	33,732,842	13,106,291	11,143,350
Cost of Sales	(36,843,032)	(26,133,619)	(11,737,908)	(8,843,609)
Gross Profit	4,301,700	7,599,223	1,368,383	2,299,741
Distribution Cost	(1,274,793)	(1,008,272)	(404,614)	(362,004)
Administrative Expenses	(1,170,145)	(996,283)	(371,068)	(318,240)
Other Expenses	(1,331,002)	(332,826)	(629,659)	(55,380)
	(3,775,940)	(2,337,381)	(1,405,341)	(735,624)
	525,760	5,261,842	(36,958)	1,564,117
Other Income	460,566	510,108	180,352	282,017
Profit from Operations	986,326	5,771,950	143,394	1,846,134
Finance Cost	(2,926,483)	(1,336,274)	(926,479)	(404,241)
(Loss) / Profit before Taxation	(1,940,157)	4,435,676	(783,085)	1,441,893
Taxation	(40,070)	(1,060,472)	(17,418)	(327,263)
(Loss) / Profit after Taxation	(1,980,227)	3,375,204	(800,503)	1,114,630
Share of (Loss) / Profit Attributable to:				
Equity Holders of Holding Company	(708,902)	2,406,109	(337,499)	802,338
Non-Controlling Interest	(1,271,325)	969,095	(463,004)	312,292
	(1,980,227)	3,375,204	(800,503)	1,114,630
(Loss) / Earnings per Share - Basic and Diluted (Rupees)	(2.37)	8.04	(1.13)	2.68

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 NINE MONTHS ENDED 31 MARCH 2020

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
(Loss) / Profit after Taxation	(1,980,227)	3,375,204	(800,503)	1,114,630
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	(1,980,227)	3,375,204	(800,503)	1,114,630
Share of Total Comprehensive (Loss) / Income Attributable to:				
Equity Holders of Holding Company	(708,902)	2,406,109	(337,499)	802,338
Non-Controlling Interest	(1,271,325)	969,095	(463,004)	312,292
	(1,980,227)	3,375,204	(800,503)	1,114,630

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 NINE MONTHS ENDED 31 MARCH 2020

Share Capital	Attributable to Equity Holders of the Holding Company								Non-Controlling Interest	Total Equity	
	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)
- Interim dividend for the year ended 30 June 2019 @ 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)
	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	(265,859)	(864,451)
Profit for the period	-	-	-	-	-	2,406,109	2,406,109	2,406,109	2,406,109	969,095	3,375,204
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	2,406,109	2,406,109	2,406,109	2,406,109	969,095	3,375,204
Balance as at 31 March 2019 - (Unaudited)	2,992,964	986,077	4,036,717	5,022,794	1,450,491	19,232,622	20,683,113	25,705,907	28,698,871	13,533,129	42,232,000
Profit for the period	-	-	-	-	-	721,498	721,498	721,498	721,498	279,623	1,001,121
Other comprehensive income for the period	-	-	-	-	-	(13,920)	(13,920)	(13,920)	(13,920)	(11,289)	(25,209)
Total comprehensive income for the period	-	-	-	-	-	707,578	707,578	707,578	707,578	268,334	975,912
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
Transactions with owners:											
- Issuance of right shares - net of issue cost	-	-	-	-	-	(33,209)	(33,209)	(33,209)	(33,209)	2,684,882	2,651,673
- Final dividend for the year ended 30 June 2019 @ Rupee 0.75 per share	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)	-	(224,472)
- Interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Dividend paid to non-controlling interest holder	-	-	-	-	-	-	-	-	-	(132,929)	(132,929)
	-	-	-	-	-	(556,977)	(556,977)	(556,977)	(556,977)	2,551,953	1,994,976
Loss for the period	-	-	-	-	-	(708,902)	(708,902)	(708,902)	(708,902)	(1,271,325)	(1,980,227)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(708,902)	(708,902)	(708,902)	(708,902)	(1,271,325)	(1,980,227)
Balance as at 31 March 2020 - (Unaudited)	2,992,964	986,077	4,036,717	5,022,794	1,450,491	18,674,321	20,124,812	25,147,606	28,140,570	15,082,091	43,222,661

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 NINE MONTHS ENDED 31 MARCH 2020**

	NOTE	31 March 2020 (Rupees in thousand)	31 March 2019
Cash Flows from Operating Activities			
Cash (used in) / generated from operations	8	(1,956,409)	5,659,547
Finance cost paid		(2,741,535)	(1,027,239)
Compensated absences paid		(31,089)	(15,937)
Net increase / (decrease) in retention money		20,013	(64,077)
Income tax paid		(524,780)	(901,091)
Net increase in long term loans to employees		(1,988)	(10,987)
Net decrease / increase in long term deposits		201	(7,242)
Net cash (used in) / generated from operating activities		(5,235,587)	3,632,974
Cash Flows from Investing Activities			
Capital expenditure on property, plant and equipment		(1,863,249)	(7,384,022)
Intangible assets under development		-	(1,597)
Interest received		53,445	22,607
Proceeds from disposal of property, plant and equipment		83,973	114,390
Proceeds from disposal of long term investment		24,819	-
Long term investments made		(10,000)	-
Short term investments made		(8,341,998)	(1,366,957)
Proceeds from disposal of short term investments		10,342,745	1,051,322
Dividend received		-	38
Net cash generated from / (used in) investing activities		289,735	(7,564,219)
Cash Flows from Financing Activities			
Proceeds from right shares - net of issue cost		2,651,673	-
Proceeds from long-term financing		744,653	4,130,865
Repayment of long-term financing		(6,278,164)	(273,629)
Short term borrowings - net		8,360,130	842,644
Redemption of preference shares		(5)	(59,447)
Dividend paid		(347,048)	(565,185)
Net cash from financing activities		5,131,239	4,075,248
Net Increase in Cash and Cash Equivalents		185,387	144,003
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		1,178,338	1,248,746

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 NINE MONTHS ENDED 31 MARCH 2020

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 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
Opening balance	19,252,080	15,476,096
Add: Obtained during the period / year	744,653	4,149,549
	19,996,733	19,625,645
Less: Repaid during the period / year	6,278,164	373,565
	13,718,569	19,252,080
Less: Current portion shown under current liabilities	416,791	1,726,554
Closing balance	13,301,778	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 359.853 million (30 June 2019: Rupees 621.626 million).
- Letters of credit other than for capital expenditure amount to Rupees 1,551.151 million (30 June 2019: Rupees 1,033.108 million).
- Contracts for capital expenditure amounting to Rupees Nil (30 June 2019: Rupees 54.550 million).
- Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 1,188.111 million (30 June 2019: Rupees 1,830.274 million).
- Future contracts - gold in respect of which the settlement is outstanding amounting to Rupees 801.872 million (30 June 2019: Rupees 909.750 million).

7. Property, Plant and Equipment

	Un-audited 31 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
Operating fixed assets - owned (Note 7.1)	53,895,946	55,748,674
Capital work-in-progress (Note 7.2)	1,336,076	564,134
	55,232,022	56,312,808

	Un-audited 31 March 2020 (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)	1,091,307	27,005,942
	56,839,981	58,766,139
Less: Book value of deletions during the period / year (Note 7.1.2)	46,054	135,776
	56,793,927	58,630,363
Less: Depreciation charged during the period / year	2,897,981	2,881,689
Closing book value	53,895,946	55,748,674
7.1.1. Cost of additions		
Land	-	767,136
Buildings	112,898	7,525,299
Plant and machinery	907,234	18,537,907
Service and other equipment	9,950	849
Computer and IT installations	2,331	5,825
Furniture and fixture	10,404	26,166
Office equipment	5,982	5,713
Quarry equipment	5,713	7,080
Vehicles	36,795	129,967
	1,091,307	27,005,942
7.1.2. Book value of deletions		
Plant and machinery	28,702	114,210
Computer and IT installations	138	175
Vehicles	17,214	21,391
	46,054	135,776
7.2. Capital Work-In-Progress		
Plant and machinery	425,540	21,806
Civil Works	712,192	381,355
Stores held for capitalization	58,842	59,917
Advances to suppliers against:		
Plant and machinery	88,313	68,720
Civil works	51,189	30,376
Vehicles	-	1,710
Others- major spare parts and stand-by equipment	-	250
	1,336,076	564,134

Un-audited
31 March
2020
(Rupees in thousand)

Un-audited
31 March
2019

8. Cash (Used in) / Generated from Operations

(Loss) / Profit before taxation	(1,940,157)	4,435,676
Adjustments for non-cash charges and other items:		
Depreciation	2,897,981	2,057,654
Amortization	3,387	7,254
Finance cost	2,926,483	1,336,274
Employees' compensated absences	59,757	42,809
Bad debts written off	5,643	-
Allowance for expected credit losses	33,027	-
Advances written off	1,467	-
Gain on disposal of property, plant and equipment	(37,919)	(9,924)
Unrealized (Gain) / Loss on remeasurement of investments at fair value	(40,853)	83,825
Loss on disposal of investment at fair values through profit or loss	-	8,397
Return on bank deposits	(53,445)	(23,303)
Dividend received	-	(38)
Working capital changes (Note 8.1)	(5,811,780)	(2,279,077)
	(1,956,409)	5,659,547

8.1. Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(585,375)	(1,243,816)
Stock-in-trade	(1,983,008)	(2,171,538)
Trade debts	(3,286,223)	(399,608)
Loans and advances	(941,791)	1,304,604
Security deposits and short-term prepayments	(7,975)	(61,897)
Other receivables	(503,915)	126,768
	(7,308,287)	(2,445,487)
Increase in trade and other payables	1,496,507	166,410
	(5,811,780)	(2,279,077)

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 Nine months ended		Un-audited Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			

9.1. Other related parties:

Group's contribution to employee's benefits	198,379	173,523	83,254	68,197
Remuneration paid to Chief Executive Officers, Directors and Executives	534,508	450,738	168,942	155,258

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	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue																
External	8,024,009	8,007,617	3,239,760	2,945,604	6,888,939	4,582,566	22,992,024	18,197,055	-	-	-	-	-	-	41,144,732	33,732,842
Inter-segment	1,365,048	365,557	1,332,239	1,054,375	628	-	104,749	79,126	-	-	-	-	(2,802,664)	(1,499,058)	-	-
Cost of sales	9,389,057	8,373,174	4,571,999	3,999,979	6,889,567	4,582,566	23,096,773	18,276,181	-	-	-	-	(2,802,664)	(1,499,058)	41,144,732	33,732,842
Gross profit	(7,897,843)	(6,919,928)	(4,116,006)	(3,688,892)	(5,466,031)	(3,728,370)	(22,165,816)	(13,295,487)	-	-	-	-	(2,802,664)	(1,499,058)	(36,843,032)	(26,133,619)
Distribution cost	1,491,214	1,453,246	455,993	311,087	1,423,536	854,196	930,957	4,980,694	-	-	-	-	-	-	4,301,700	7,599,223
Administrative expenses	(32,165)	(32,196)	(65,251)	(53,912)	(547,453)	(315,128)	(629,924)	(607,036)	-	-	-	-	-	-	(1,274,793)	(1,008,272)
Profit / (loss) before tax and unallocated income and expenses	(178,145)	(163,250)	(107,967)	(102,902)	(169,595)	(138,385)	(564,597)	(515,420)	(144,472)	(72,753)	(5,369)	(3,573)	-	-	(1,170,145)	(996,283)
Unallocated income and expenses	(210,310)	(195,446)	(173,218)	(156,814)	(717,048)	(453,513)	(1,194,521)	(1,122,456)	(144,472)	(72,753)	(5,369)	(3,573)	-	-	(2,444,938)	(2,004,555)
Other expenses	1,280,904	1,257,800	282,775	154,273	706,488	400,683	(263,564)	3,858,238	(144,472)	(72,753)	(5,369)	(3,573)	-	-	1,856,762	5,594,668
Other income															(1,331,002)	(332,826)
Finance cost															460,566	510,108
Taxation															(2,926,483)	(1,336,274)
(Loss) / Profit after taxation															(40,070)	(1,060,472)
															(3,836,989)	(2,219,464)
															(1,980,227)	3,375,204

10.1. Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019	31 March 2020	30 June 2019
Total assets for reportable segments	7,884,685	6,012,772	3,123,616	3,006,523	5,423,163	2,794,290	54,667,016	55,232,313	3,657,595	5,231,747	8,776,902	6,967,504	83,532,977	79,245,149
Unallocated assets													5,556,559	5,075,158
Total assets as per consolidated condensed interim Statement of financial position													89,089,536	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	2,369,028	1,343,255	2,655,912	1,068,196	7,422,703	3,495,460	20,705,897	22,508,851	-	-	596,185	695,655	33,749,725	29,111,417
Unallocated liabilities													12,117,150	12,000,978
Total liabilities as per consolidated condensed interim statement of financial position													45,866,875	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 March 2020	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	39,411	-	-	39,411
Total non-financial assets	39,411	4,518,064	430,096	4,987,571

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. As at 31 March 2020, the fair values of the investment properties and freehold land have been determined by Anderson Consulting (Private) Limited

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 24 April 2020.

15. Corresponding Figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited 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.

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

16. 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