



3RD QUARTERLY REPORT
MARCH 31, 2021



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. We are committed to develop more and more renewable energy sources for clean-energy and water re-cycling facilities to stay green and eco-friendly for building a sustainable future.

CONTENTS

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Company Information	2
Directors' Review	3
Unconsolidated Condensed Interim Statement of Financial Position	4
Unconsolidated Condensed Interim Statement of Profit or Loss	6
Unconsolidated Condensed Interim Statement of Comprehensive Income	7
Unconsolidated Condensed Interim Statement of Changes in Equity	8
Unconsolidated Condensed Interim Statement of Cash Flows	9
Selected Notes to the Unconsolidated Condensed Interim Financial Statements	10

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Review on Consolidated Condensed Interim Financial Statements	20
Consolidated Condensed Interim Statement of Financial Position	21
Consolidated Condensed Interim Statement of Profit or Loss	23
Consolidated Condensed Interim Statement of Comprehensive Income	24
Consolidated Condensed Interim Statement of Changes in Equity	25
Consolidated Condensed Interim Statement of Cash Flows	26
Selected Notes to the Consolidated Condensed Interim Financial Statements	27

COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser

Mr. Abdul Rehman Qureshi
Advocate High Court

Registered Office

42-Lawrence Road, Lahore.
Tel: (00-92-42) 36302261-62
Fax: (00-92-42) 36368721

Share Registrar

Vision Consulting Limited
1st Floor, 3-C, LDA Flats,
Lawrence Road, Lahore
Tel: (00-92-42) 36283096-97
Fax: (00-92-42) 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: (00-92-51) 5495328-32
Fax: (00-92-51) 5495304
- 8 K.M., Manga Raiwind Road, District Kasur
Tel: (00-92-42) 32560683-85
Fax: (00-92-42) 32560686-87
- Gulyana Road, Gujar Khan, District Rawalpindi
Tel: (00-92-51) 3564472-74

Website

www.kmlg.com

Note: 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 2021, in compliance with requirements of Section 237 of the Companies Act, 2017.

Review of Operations

In the last quarter of the period under review, results of the Company's Spinning divisions substantially improved over the previous quarter, due mainly to increased margins owing to sharp increases in international raw material prices for extra-long staple cotton which the Company had already procured at substantially lower prices. However, the last quarter of the year will see slightly lower profitability due to seasonally reduced demand for fine-count yarns. The Company continues its policy of modernization of plant and equipment with new machinery constantly arriving and being installed, leading to substantial quality improvements.

Spinning expansion projects have commenced at both of the Company's Spinning sites and equipment will begin arriving in the first quarter of the new financial year. These projects should result in significant increases in revenue and profitability in the financial year commencing July 2023.

The profitability of the Weaving division continues to improve and order books remain full for the next quarter.

Results of the Home Textiles division have dipped over the last quarter due to large increases in ocean freight rates and unexpected appreciation of the Pakistani rupee. The value added sectors will take at least another quarter to stabilize as freight rates normalize and COVID-19 related disruptions, hopefully subside. The Company continues to focus on more value-added products with greater levels of embellishment.

The first solar project at the Company's Gujjar Khan site should be completed in the coming quarter which will be followed quickly by further renewable energy projects across the Company in line with KTML's "Green" policies.

We expect the closing results of the financial year to show an improvement over the previous year despite the many challenges the Company has faced.

Our prayers are with the public and the country that the pandemic does not take too great a toll and it is hoped that government SOPs on health will be followed by all.

Financial Review

During the period under review, Company's sales increased by 19.38% to Rs. 21,671 million (2020: Rs. 18,153 million), while cost of sales increased by 17.68% to Rs. 17,396 million (2020: Rs. 14,782 million). This resulted in gross profit of Rs. 4,275 million (2020: Rs. 3,371 million).

Operating profit for the period under review stood at Rs. 2,677 million (2020: Rs. 2,319 million). The Company recorded after tax profit of Rs. 1,690 million (2020: Rs. 1,469 million), an increase of 15%. Earnings per share for the nine months ended 31 March 2021 stood at Rs. 5.65 against Rs. 4.91 for the corresponding period last year.

Acknowledgement

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

For and on behalf of the Board



Syed Mohsin Raza Naqvi
Director



Taufique Sayeed Saigol
Chief Executive

Lahore
April 21, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2020: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2020: 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 2020: 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		9,790,350	8,698,514
		11,240,841	10,149,005
Total equity		<u>19,062,926</u>	<u>17,971,090</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	2,893,342	2,860,987
Deferred liabilities		703,544	550,564
		3,596,886	3,411,551
CURRENT LIABILITIES			
Trade and other payables		2,131,100	2,785,824
Accrued mark-up		114,408	196,614
Short term borrowings		8,600,415	7,479,127
Current portion of non-current liabilities		1,020,567	107,296
Unpaid dividend		299,296	-
Unclaimed dividend		29,908	29,769
Taxation - net		622,378	722,495
		12,818,072	11,321,125
Total liabilities		<u>16,414,958</u>	<u>14,732,676</u>
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>35,477,884</u>	<u>32,703,766</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 2021 (Rupees in thousand)	Audited 30 June 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,049,712	9,699,484
Investment properties		1,792,755	1,792,755
Long term investments		11,078,733	11,078,733
Long term deposits		52,958	52,958
		<u>22,974,158</u>	<u>22,623,930</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		827,097	705,750
Stock-in-trade		5,155,316	5,362,714
Trade debts		3,644,109	2,360,050
Advances		970,621	306,325
Security deposits and short term prepayments		43,614	10,803
Other receivables		1,613,984	1,064,784
Short term investments		103,013	82,797
Cash and bank balances		145,972	186,613
		<u>12,503,726</u>	<u>10,079,836</u>
TOTAL ASSETS		<u><u>35,477,884</u></u>	<u><u>32,703,766</u></u>



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-Audited)**
For the nine months ended 31 March 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
 (Rupees in thousand)			
REVENUE	21,671,110	18,152,708	7,681,110	6,218,698
COST OF SALES	(17,396,195)	(14,781,965)	(5,965,040)	(5,012,599)
GROSS PROFIT	4,274,915	3,370,743	1,716,070	1,206,099
DISTRIBUTION COST	(885,479)	(644,869)	(360,331)	(229,288)
ADMINISTRATIVE EXPENSES	(481,971)	(455,707)	(165,576)	(144,849)
OTHER EXPENSES	(318,562)	(209,891)	(121,725)	(28,258)
	(1,686,012)	(1,310,467)	(647,632)	(402,395)
	2,588,903	2,060,276	1,068,438	803,704
OTHER INCOME	87,757	258,234	13,879	23,144
PROFIT FROM OPERATIONS	2,676,660	2,318,510	1,082,317	826,848
FINANCE COST	(507,883)	(575,616)	(166,891)	(268,607)
PROFIT BEFORE TAXATION	2,168,777	1,742,894	915,426	558,241
TAXATION				
- CURRENT	(378,244)	(350,931)	(205,667)	(106,840)
- DEFERRED	(100,105)	76,899	(28,375)	(11,473)
	(478,349)	(274,032)	(234,042)	(118,313)
PROFIT AFTER TAXATION	1,690,428	1,468,862	681,384	439,928
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	5.65	4.91	2.28	1.47

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 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
 (Rupees in thousand)			
PROFIT AFTER TAXATION	1,690,428	1,468,862	681,384	439,928
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,690,428	1,468,862	681,384	439,928

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 2021

	RESERVES							TOTAL EQUITY	
	CAPITAL RESERVES		REVENUE RESERVES			Total reserves			
	Share premium	Surplus on revaluation of freehold land and investment properties	Sub-total	General reserve	Unappropri- ated profit	Sub-total			
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)
- Interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(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
Profit for the period	-	-	-	-	-	59,181	59,181	59,181	59,181
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	59,181	59,181	59,181	59,181
Balance as at 30 June 2020 - (audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,698,514	10,149,005	14,978,126	17,971,090
Transaction with owners:									
- Final dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)
	-	-	-	-	-	1,690,428	1,690,428	1,690,428	1,690,428
Profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021 - (un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	9,790,350	11,240,841	16,069,962	19,062,926

------(Rupees in thousands)-----

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

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

For the nine months ended 31 March 2021

	Note	31 March 2021 (Rupees in thousand)	31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	8	80,915	(1,415,666)
Finance cost paid		(600,112)	(411,542)
Income tax paid		(478,361)	(258,079)
Net increase in long term deposits		-	(259)
Net cash used in operating activities		(997,558)	(2,085,546)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(874,089)	(1,002,506)
Long term investments made		-	(3,343,934)
Short term investments made		(20,000)	(24,306)
Proceeds from disposal of property, plant and equipment		64,800	30,839
Proceeds from disposal of long term investment		-	24,819
Interest received		8,095	29,984
Dividend received		-	163,918
Net cash used in investing activities		(821,194)	(4,121,186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,156,721	1,994,653
Repayment of long term financing		(200,741)	(699,049)
Short term borrowings - net		1,121,288	4,998,274
Dividend paid		(299,157)	(221,724)
Net cash from financing activities		1,778,111	6,072,154
NET DECREASE IN CASH AND CASH EQUIVALENTS		(40,641)	(134,578)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		186,613	216,366
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		145,972	81,788

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 2021

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 from 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 2020. 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 computations 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 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
5. LONG TERM FINANCING - SECURED		
Opening balance	2,968,283	1,946,718
Add : Obtained during the period / year	1,156,721	1,414,291
Add : Adjustment due to impact of IFRS-9 during the period / year	36,086	-
	4,161,090	3,361,009
Less: Repaid during the period / year	200,741	392,726
Less: Deferred income - Government grant (Note 5.1)	87,821	-
	3,872,528	2,968,283
Less: Current portion shown under current liabilities	979,186	107,296
	2,893,342	2,860,987

5.1 This represents deferred income on initial recognition of loans obtained under SBP Refinance Scheme for payment of wages and salaries to workers.

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 2020.

6.2 Commitments in respect of:

- a) Contracts for capital expenditure amounting to Rupees Nil (30 June 2020: Rupees 12.035 million).
- b) Letters of credit for capital expenditure amounting to Rupees 757.536 million (30 June 2020: Rupees 116.522 million).
- c) Letters of credit other than for capital expenditure amounting to Rupees 1,538.489 million (30 June 2020: Rupees 424.041 million).

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	9,633,245	9,260,304
Capital work-in-progress (Note 7.2)	416,467	439,180
	10,049,712	9,699,484

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
7.1 Operating fixed assets		
Opening book value	9,260,304	8,831,769
Add: Cost of additions during the period / year (Note 7.1.1)	896,802	1,033,086
	10,157,106	9,864,855
Less: Book value of deletions during the period / year (Note 7.1.2)	51,487	39,900
	10,105,619	9,824,955
Less: Depreciation charged during the period / year	472,374	564,651
Closing book value	9,633,245	9,260,304
7.1.1 Cost of additions / transfers		
Buildings	148,506	134,946
Plant and machinery	644,581	833,437
Services and other equipment	20,296	400
Computers and IT installations	4,653	19,260
Furniture and fixtures	34,898	4,791
Office equipment	6,414	6,899
Vehicles	37,454	33,353
	896,802	1,033,086
7.1.2 Book value of deletions		
Plant and machinery	48,680	36,238
Computer and IT installations	260	88
Vehicles	2,547	3,574
	51,487	39,900
7.2 Capital work-in-progress		
Civil works and buildings	110,392	142,104
Plant and machinery	299,552	297,076
Advances against purchase of furniture, fixtures and office equipment	6,523	-
	416,467	439,180

	Un-audited 31 March 2021 (Rupees in thousand)	Un-audited 31 March 2020
8. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	2,168,777	1,742,894
Adjustments for non-cash charges and other items:		
Depreciation	472,374	425,270
Finance cost	507,883	575,616
Gain on disposal of property, plant and equipment	(13,313)	(14,044)
Gain on remeasurement of deferred liability	(19,588)	-
Allowance for expected credit losses	37,547	33,027
Dividend income	-	(163,918)
Return on bank deposits	(8,095)	(29,984)
Working capital changes (Note 8.1)	(3,064,670)	(3,984,527)
	80,915	(1,415,666)
8.1 Working capital changes		
Increase in current assets:		
Stores, spare parts and loose tools	(121,347)	(264,111)
Stock-in-trade	207,398	(1,749,341)
Trade debts	(1,321,606)	(1,485,574)
Advances	(664,296)	(451,404)
Security deposits and short term prepayments	(32,811)	4,695
Other receivables	(549,416)	(597,792)
	(2,482,078)	(4,543,527)
(Decrease) / increase in trade and other payables	(582,592)	559,000
	(3,064,670)	(3,984,527)

9. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited Nine months ended		Un-audited Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
..... (Rupees in thousand)				
i) Transactions				
Subsidiary companies				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	100,417	104,749	35,839	26,887
Mark up charged	-	6,685	-	-
Funds transferred	-	870,000	-	-
Receipts	-	600,000	-	-
Dividend received	-	163,918	-	-
Investment made	-	3,343,934	-	-
Maple Leaf Capital Limited				
Loan obtained	-	1,250,000	-	-
Loan repaid	445,216	395,812	-	270,812
Mark-up on loan	2,004	38,890	-	20,702
Other related parties				
Company's contribution to provident fund trust	47,665	42,855	15,929	14,283
Remuneration of Chief Executive Officer, Directors and Executives	209,392	184,453	53,608	53,587
			Un-audited 31 March 2021	Audited 30 June 2020
			(Rupees in thousand)	
ii) Period / year end balances				
Maple Leaf Cement Factory Limited				
Other receivables			-	35,528
Trade and other payables			(55,663)	-
Maple Leaf Capital Limited				
Short term borrowing			-	(445,216)
Other receivables			206,000	-
Accrued mark-up			-	(23,231)

10. SEGMENT INFORMATION

10.1

	Spinning		Weaving		Processing and Home Textile		Elimination of inter-segment transactions		Company	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended	31 March 2020	Nine months ended	31 March 2020	Nine months ended	31 March 2020	Nine months ended	31 March 2020	Nine months ended	31 March 2020
REVENUE										
External inter-segment	8,024,009	3,239,760	7,448,939	6,888,939	-	-	-	-	21,671,110	18,152,708
	970,310	1,303,622	-	628			(2,273,932)	(2,697,915)	-	-
Cost of sales	11,266,436	5,229,667	7,448,939	6,889,667	(2,273,932)	(2,697,915)	(2,273,932)	(2,697,915)	21,671,110	18,152,708
	(8,948,451)	(7,897,843)	(6,116,321)	(5,466,031)					(17,396,195)	(14,781,965)
Gross profit	2,317,985	1,491,214	1,332,618	1,423,536	-	-	-	-	4,274,915	3,370,743
Distribution cost	(35,093)	(32,165)	(758,412)	(547,453)					(885,479)	(644,869)
Administrative expenses	(203,631)	(178,145)	(167,679)	(169,595)					(481,971)	(455,707)
Profit before tax and unallocated income and expenses	(238,724)	(210,310)	(926,091)	(717,048)	-	-	-	-	(1,367,450)	(1,100,576)
	2,079,261	1,280,904	406,527	706,488					2,907,465	2,270,167
Unallocated income and expenses										
Other expenses										
Other income										
Finance cost										
taxation										
Profit after taxation										
	(318,562)	(209,891)							(818,562)	(644,869)
	87,757	258,234							87,757	258,234
	(507,863)	(575,616)							(507,863)	(575,616)
	(478,349)	(274,032)							(478,349)	(274,032)
	(1,217,037)	(601,305)							(1,217,037)	(601,305)
	1,690,428	1,468,862							1,690,428	1,468,862

10.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Total assets for reportable segments	7,267,964	6,997,298	3,573,698	3,176,202	6,758,066	4,967,109	17,599,728	15,140,609
Unallocated assets							17,878,156	17,563,157
Total assets as per unconsolidated condensed interim statement of financial position							35,477,884	32,703,766
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.								
Total liabilities for reportable segments	3,238,260	2,206,675	2,226,729	2,302,479	8,136,212	6,901,316	13,601,201	11,410,470
Unallocated liabilities							2,813,757	3,322,206
Total liabilities as per unconsolidated condensed interim statement of financial position							16,414,958	14,732,676
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

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised 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.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

Fair value hierarchy

The judgments 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 Company has classified its non-financial assets into the following three levels.

As 31 March 2021	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 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

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the 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 determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties and freehold land at the end of every financial year. As at 30 June 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 Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
14. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Loans / advances obtained as per Islamic mode:		
Advances	196,827	148,422
Shariah compliant bank deposits / bank balances:		
Bank balances	26,624	51,758

UN-AUDITED
NINE MONTHS ENDED
31 March 2021 31 March 2020
(Rupees in thousand)

Profit earned from shariah compliant bank deposits / bank balances	2,745	6,720
Revenue earned from shariah compliant business	21,671,110	18,152,708
Gain / (loss) or dividend earned from shariah compliant investments:		
Dividend income	-	163,918
Profits earned or interest paid on any conventional loan / advance:		
Interest income on sales tax refund bonds	-	19
Interest income on loans and advances to Maple Leaf Cement Factory Limited	-	6,685
Profit earned on deposits with banks	5,350	23,264
Interest paid on loans	434,931	525,954
Short term borrowing from Maple Leaf Capital Limited	2,004	38,890

Relationship with shariah compliant banks:

Name	Relationship
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance

15. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 21 April 2021.

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.

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

17. GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



KOHINOOR TEXTILE MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

THIRD QUARTERLY REPORT
31 MARCH 2021

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 2021.

The subsidiary 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%)

GROUP RESULTS

	NINE MONTHS ENDED	
	31 March 2021	31 March 2020
	(Rupees in million)	
Net sales revenue	47,669	41,145
Gross profit	10,731	4,302
Profit from operations	11,331	986
Financial charges	1,593	2,926
Net profit / (loss) after taxation	7,836	(1,980)
	(Rupees)	
Earnings / (Loss) per share - Basic and diluted	19.88	(2.37)

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

MLCFL has reported net sales of Rupees 26,098 million (31 March 2020: Rupees 23,097 million) and after tax profit of Rupees 5,521 million (31 March 2020: Loss of Rupees 3,734 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 896 million (31 March 2020: Rupees 1,006 million).

Maple Leaf Capital Limited (MLCL)

MLCL has reported after tax profit of Rupees 3,127 million (31 March 2020: Loss of Rupees 721 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

Lahore
21 April 2021


Taufique Sayeed Saigol
Chief Executive Officer


Syed Mohsin Raza Naqvi
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2020: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2020: 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 2020: 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		4,041,716	4,041,716
		<u>5,027,793</u>	<u>5,027,793</u>
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		23,720,075	18,368,673
		<u>25,170,566</u>	<u>19,819,164</u>
Equity attributable to equity holders of the Holding Company		<u>33,191,323</u>	<u>27,839,921</u>
Non-controlling interest		<u>16,642,587</u>	<u>14,756,901</u>
Total equity		<u>49,833,910</u>	<u>42,596,822</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	14,635,527	15,067,045
Long term deposits		8,214	8,664
Retirement benefits		218,829	214,952
Retention money payable		386,142	366,069
Deferred liabilities		3,640,173	2,529,503
		<u>18,888,885</u>	<u>18,186,233</u>
CURRENT LIABILITIES			
Trade and other payables		11,653,801	10,890,994
Accrued mark-up		369,972	683,317
Short term borrowings		10,489,861	14,215,726
Current portion of non-current liabilities		2,089,842	232,296
Unpaid dividend		299,296	-
Unclaimed dividend		58,599	77,822
		<u>24,961,371</u>	<u>26,100,155</u>
Total liabilities		<u>43,850,256</u>	<u>44,286,388</u>
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>93,684,166</u>	<u>86,883,210</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	53,884,762	54,678,017
Investment properties		1,792,755	1,792,755
Intangibles		3,487	9,024
Long term loans to employees		18,026	19,196
Long term investment		42,000	42,000
Long term deposits		110,101	109,378
		55,851,131	56,650,370
CURRENT ASSETS			
Stores, spare parts and loose tools		10,245,124	9,568,983
Stock -in- trade		6,969,754	7,142,118
Trade debts		5,558,962	5,413,514
Loans and advances		1,852,768	798,948
Security deposits and short term prepayments		305,176	204,498
Other receivables		1,377,857	792,085
Taxation - net		1,144,033	1,012,570
Short term investments		9,474,020	3,904,641
Cash and bank balances		905,341	1,395,483
		37,833,035	30,232,840
TOTAL ASSETS		93,684,166	86,883,210



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited)

For the nine months ended 31 March 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
..... (Rupees in thousand)				
REVENUES	47,668,710	41,144,732	17,122,489	13,106,291
COST OF SALES	(36,937,592)	(36,843,032)	(12,789,987)	(11,737,908)
GROSS PROFIT	10,731,118	4,301,700	4,332,502	1,368,383
DISTRIBUTION COST	(1,602,262)	(1,274,793)	(676,379)	(404,614)
ADMINISTRATIVE EXPENSES	(1,292,010)	(1,170,145)	(474,857)	(371,068)
OTHER EXPENSES	(599,688)	(1,331,002)	(238,900)	(629,659)
	(3,493,960)	(3,775,940)	(1,390,136)	(1,405,341)
	7,237,158	525,760	2,942,366	(36,958)
OTHER INCOME	4,094,103	460,566	1,311,319	180,352
PROFIT FROM OPERATIONS	11,331,261	986,326	4,253,685	143,394
FINANCE COST	(1,592,767)	(2,926,483)	(492,098)	(926,479)
PROFIT / (LOSS) BEFORE TAXATION	9,738,494	(1,940,157)	3,761,587	(783,085)
PROVISION FOR TAXATION	(1,902,814)	(40,070)	(813,079)	(17,418)
PROFIT / (LOSS) AFTER TAXATION	7,835,680	(1,980,227)	2,948,508	(800,503)
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO :				
EQUITY HOLDERS OF HOLDING COMPANY	5,949,994	(708,902)	2,206,789	(337,499)
NON CONTROLLING INTEREST	1,885,686	(1,271,325)	741,719	(463,004)
	7,835,680	(1,980,227)	2,948,508	(800,503)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	19.88	(2.37)	7.37	(1.13)

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 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
 (Rupees in thousand)			
PROFIT / (LOSS) AFTER TAXATION	7,835,680	(1,980,227)	2,948,508	(800,503)
OTHER COMPREHENSIVE INCOME				
Items that will not be classified to profit or loss	-	-	-	-
Items that may be classified subsequently to profit or loss	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	7,835,680	(1,980,227)	2,948,508	(800,503)
Share of total comprehensive income / (loss) attributable to :				
Equity holders of Holding Company	5,949,994	(708,902)	2,206,789	(337,499)
Non-controlling interest	1,885,686	(1,271,325)	741,719	(463,004)
	7,835,680	(1,980,227)	2,948,508	(800,503)

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 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											
	Reserves					Total reserves	Total	Non-controlling interest	Total equity		
	Capital reserves		Revenue reserves								
	Share capital	Share premium	Surplus on revaluation of freehold land and investment properties	Sub - total	General reserves					Un-appropriated profit	Sub-total
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 @ Rupee 0.75 per share	-	-	-	-	-	(58,968)	(58,968)	(58,968)	(58,968)	2,684,596	2,625,628
- Interim dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(224,472)	(224,472)	(224,472)	(224,472)	-	(224,472)
- Dividend paid to non-controlling interest holder	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(132,929)	(299,296)
	-	-	-	-	-	(682,736)	(682,736)	(682,736)	(682,736)	2,551,667	1,968,931
Loss for the period	-	-	-	-	-	(708,902)	(708,902)	(708,902)	(708,902)	(1,271,325)	(1,980,227)
Other comprehensive income for the period	-	-	-	-	-	(708,902)	(708,902)	(708,902)	(708,902)	(1,271,325)	(1,980,227)
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 - (un-audited)	2,992,964	986,077	4,036,717	5,022,794	1,450,491	18,648,562	20,099,053	25,121,847	28,114,811	15,081,805	43,196,616
Loss for the period	-	-	4,999	4,999	-	(283,404)	(283,404)	(283,404)	(283,404)	(331,808)	(615,212)
Other comprehensive income for the period	-	-	4,999	4,999	-	3,515	3,515	8,514	8,514	6,904	15,418
Total comprehensive loss for the period	-	-	-	-	-	(279,889)	(279,889)	(274,890)	(274,890)	(324,904)	(599,794)
Balance as at 30 June 2020 - audited	2,992,964	986,077	4,041,716	5,027,793	1,450,491	18,368,673	19,819,164	24,846,957	27,839,921	14,756,901	42,596,822
Transactions with owners:											
- Final dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Dividend paid to non-controlling interest holder	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	-	(598,592)
Profit for the period	-	-	-	-	-	5,949,994	5,949,994	5,949,994	5,949,994	1,885,686	7,835,680
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	5,949,994	5,949,994	5,949,994	5,949,994	1,885,686	7,835,680
Balance as at 31 March 2021 - (un-audited)	2,992,964	986,077	4,041,716	5,027,793	1,450,491	23,720,075	25,170,566	30,198,359	33,191,323	16,642,587	49,833,910

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 2021

Note	31 March 2021	31 March 2020
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	8 7,336,057	70,383
Net decrease / (increase) in long term loans to employees	1,170	(1,988)
Net (increase) / decrease in long term deposits	(723)	201
Net increase in retention money	20,073	20,013
Finance cost paid	(1,952,097)	(2,741,535)
Employees benefits paid	(40,317)	(31,089)
Income tax paid	(1,091,602)	(524,780)
Net cash generated from / (used in) operating activities	4,272,561	(3,208,795)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(2,250,617)	(1,863,249)
Interest received	24,488	53,445
Proceeds from disposal of property, plant and equipment	64,838	83,973
Long term investment made	-	(10,000)
Proceeds from disposal of long term investment	-	24,819
Net cash used in investing activities	(2,161,291)	(1,711,012)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from right shares - net of issue cost	-	2,625,628
Proceed from long term financing	1,643,713	744,653
Repayment of long term financing	(200,741)	(6,278,164)
Short term borrowings (net)	(3,725,865)	8,360,130
Redemption of preference shares	-	(5)
Dividend paid	(318,519)	(347,048)
Net cash (used in) / from financing activities	(2,601,412)	5,105,194
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(490,142)	185,387
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,395,483	992,951
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	905,341	1,178,338

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 2021



1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Kohinoor Textile Mills Limited (“the Holding Company”) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the 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 2020: 55.22%) shares of Maple Leaf Cement Factory Limited, 82.92% (30 June 2020: 82.92%) shares of Maple Leaf Capital Limited and 55.22% (30 June 2020: 55.22%) shares of Maple Leaf Power Limited.

1.2 Subsidiary Companies

1.2.1 Maple Leaf Cement Factory Limited (MLCFL)

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

1.2.2 Maple Leaf Capital Limited (MLCL)

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

1.2.3 Maple Leaf Power Limited (MLPL)

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

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting 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 from 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 2020. 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 2020.

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 2020.

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
5. LONG TERM FINANCING - SECURED		
Opening balance	15,299,341	19,252,080
Add : Obtained during the period / year	1,643,713	1,414,291
Add : Adjustment due to impact of IFRS-9 during the period / year	59,506	-
	17,002,560	20,666,371
Less: Repaid during the period/ year	200,741	5,367,030
Less: Deferred income - Government grant (Note 5.1)	148,762	-
	16,653,057	15,299,341
Less: Current portion shown under current liabilities	2,017,530	232,296
	14,635,527	15,067,045

5.1 This represents deferred income on initial recognition of loans obtained under SBP Refinance Scheme for payment of wages and salaries to workers.

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 2020.

6.2 Commitments in respect of:

- (i) Contracts for capital expenditure amounting to Rupees Nil (30 June 2020: Rupees 12.035 million).
- (ii) Letters of credit for capital expenditure amounting to Rupees 10,687.092 million (30 June 2020: Rupees 121.610 million).
- (iii) Letters of credit other than for capital expenditure amounting to Rupees 1,641.233 million (30 June 2020: Rupees 691.750 million).

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	51,398,231	53,313,404
Capital work-in-progress (Note 7.2)	2,486,531	1,364,613
	53,884,762	54,678,017

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
7.1 Operating fixed assets		
Opening book value	53,313,404	55,748,674
Add: Cost of additions during the period / year (Note 7.1.1)	1,128,699	1,494,835
Add: Revaluation of freehold land during the period/year	-	9,053
	54,442,103	57,252,562
Less: Book value of deletions during the period / year (7.1.2)	51,514	70,363
	54,390,589	57,182,199
Less: Depreciation charged during the period / year	2,992,358	3,868,795
	51,398,231	53,313,404
	51,398,231	53,313,404
7.1.1 Cost of additions / transfers		
Buildings	148,506	288,488
Plant and machinery	867,609	1,100,391
Service and other equipment	20,296	400
Computer and IT installations	5,121	19,807
Furniture and fixture	41,092	17,184
Office equipment	6,472	6,899
Quarry equipment	-	14,853
Vehicles	39,603	46,813
	1,128,699	1,494,835
	1,128,699	1,494,835
7.1.2 Book value of deletions		
Plant and machinery	48,680	52,983
Computer and IT installations	287	151
Vehicles	2,547	17,229
	51,514	70,363
	51,514	70,363
7.2 Capital work-in-progress		
Plant and machinery	758,482	615,489
Civil Works	926,843	666,194
Store held for capitalization	94,354	54,047
Advances to suppliers against:		
Plant and machinery	665,088	28,468
Civil works	24,125	415
Vehicles	11,116	-
Furniture, fixtures and office equipment	6,523	-
	2,486,531	1,364,613
	2,486,531	1,364,613

	Un-audited 31 March 2021	Un-audited 31 March 2020
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	9,738,494	(1,940,157)
Adjustments for non-cash charges and other items:		
Depreciation	2,992,358	2,897,981
Amortization of intangible assets	5,536	3,387
Finance cost	1,592,767	2,926,483
Employees' compensated absences	44,194	59,757
Bad debts written off	46,355	5,643
Allowance for expected credit losses	75,835	33,027
Other receivables written off	18,205	1,467
Gain on disposal of property, plant and equipment	(13,324)	(37,919)
Unrealized Gain on remeasurement of investments at fair value	(2,624,014)	(40,853)
Return on bank deposits	(24,704)	(53,445)
Gain on remeasurement of deferred liability	(50,595)	-
Working capital changes (Note 8.1)	(4,465,050)	(3,784,988)
	7,336,057	70,383
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(676,141)	(585,375)
Stock-in-trade	172,364	(1,983,008)
Trade debts	(267,638)	(3,286,223)
Loans and advances	(1,053,820)	(941,791)
Security deposits and short term prepayments	(100,678)	(7,975)
Other receivables	(603,977)	(503,915)
Short term investments	(2,945,149)	2,000,747
	(5,475,039)	(5,307,540)
Increase in trade and other payables	1,009,989	1,522,552
	(4,465,050)	(3,784,988)

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 2021	31 March 2020	31 March 2021	31 March 2020
 (Rupees in thousand)			
Other related parties				
Group's contribution to employee's benefits	204,955	198,379	69,950	83,254
Remuneration paid to Chief Executive Officers, Directors and Executives	615,722	534,508	190,996	168,942

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

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.

As 31 March 2021	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	1,192,037	3,931,594
Total non-financial assets	-	4,532,312	1,192,037	5,724,349
At 30 June 2020	Level 1	Level 2	Level 3	Total
	(.....Rupees in thousand			
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	2,739,557	1,192,037	3,931,594
Total non-financial assets	-	4,532,312	1,192,037	5,724,349

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 2020.

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 30 June 2020
14. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Holding Company		
Loans / advances obtained as per Islamic mode:		
Advances	196,827	148,422
Shariah compliant bank deposits / bank balances:		
Bank balances	26,624	51,758

UN-AUDITED
NINE MONTHS ENDED
31 March 31 March
2021 2020
(Rupees in thousand)

Profit earned from shariah compliant bank deposits / bank balances	2,745	6,720
Revenue earned from shariah compliant business	21,671,110	18,152,708
Gain / (loss) or dividend earned from shariah compliant investments:		
Dividend income	-	163,918
Profits earned or interest paid on any conventional loan / advance:		
Interest income on sales tax refund bonds	-	19
Interest income on loans and advances to Maple Leaf Cement Factory Limited	-	6,685
Profit earned on deposits with banks	5,350	23,264
Interest paid on loans	434,931	525,954
Short term borrowing from Maple Leaf Capital Limited	2,004	38,890

Relationship with shariah compliant banks:

Name	Relationship
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance

Un-audited Audited
31 March 30 June
2021 2020
(Rupees in thousand)

Subsidiary company (MLCFL) Loans / advances obtained as per Islamic mode: Loans	1,270,834	1,270,834
Shariah compliant bank deposits / bank balances Bank balances	20,794	216,220

UN-AUDITED
NINE MONTHS ENDED
31 March 2021 31 March 2020
(Rupees in thousand)

Profit earned from shariah compliant bank deposits / bank balances	2,564	1,845
Revenue earned from shariah compliant business	26,098,017	23,096,773
Gain / (loss) or dividend earned from shariah compliant investments		
Realized gain on disposal of short term investments	-	7,358
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	11,727	21,618
Interest paid on loans	978,121	2,305,394

Relationship with shariah compliant banks:

Name	Relationship
MCB Islamic Bank Limited	Bank balance and financing
Bank Islami Pakistan Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Al-Baraka Bank (Pakistan) Limited	Bank balance

15. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 21 April 2021.

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 unconsolidated 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 thousand of Rupees unless other wise stated.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,

Lahore, Pakistan