

Kohinoor Mills Limited



FIRST QUARTERLY REPORT
30 September 2020

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Kohinoor Mills Limited

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COMPANY INFORMATION

Board of Directors

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Mrs. Safia Fayyaz	Director
Mr. Riaz Ahmed	Director
Mr. Shahbaz Munir	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member

Human Resource & Remuneration Committee

Mr. Shahbaz Munir	Chairman
Mr. Riaz Ahmed	Member
Mr. Rashid Ahmed	Member

Chief Financial Officer

Mr. Kamran Shahid

Head of Internal Audit

Mr. Naveed Ahmad Zafar

Legal Advisors

- Raja Mohammad Akram & Co., Advocate & Legal Consultants, Lahore.
- Malik Muhammad Ashraf Kumma Advocate

Company Secretary

Mr. Muhammad Rizwan Khan

Auditors

M/s. Riaz Ahmad & Co., Chartered Accountants

Bankers

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

Registered Office & Mills

8 K.M. Manga Raiwind Road,
District Kasur, Pakistan
UAN: (92-42) 111-941-941
CELL LINES: (92-333) 4998801-6
LAND LINES: (92-42) 36369340
FAX: (92-42) 36369340 Ext: 444
EMAIL: info@kohinoormills.com
WEBSITE : www.kohinoormills.com

Shares Registrar

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

Other Corporate Information

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The Registration Number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com



Financial Statements

For the quarter ended 30 September 2020

DIRECTORS' REVIEW

The Directors of the company are pleased to present the interim financial statements for the quarter ended 30 September 2020.

Operating & Financial Results

Pakistan's textile sector is still feeling the effects of the global recession triggered by the Covid-19 crisis. In these difficult times, your company still managed to post bottom line profitability in the current quarter by adapting quickly to the adverse situation created by the Covid-19 pandemic.

During the quarter ended 30 September 2020, your company earned a gross profit of Rs. 400 Million on sales of Rs. 2,651 Million, compared to a gross profit of Rs. 593 Million on sales of Rs. 3,312 million for the corresponding period of the previous financial year. During the period under review, your company recorded a net profit of Rs. 43.1 Million (EPS: Re. 0.85 per share), compared to net profit of Rs. 175.2 Million (EPS: Rs. 3.44 per share) in the corresponding period.

Performance Overview

A brief overview of performance of your company for the quarter ended 30 September 2020 is discussed below:

Weaving Division

The Weaving Division successfully withstood the current trials. Despite the Covid-19, this division was able to increase its profitability from the comparative quarter of the previous year.

In the quarter under review, the Weaving Division posted a gross profit of Rs. 241 Million, which is 15.3% higher than the gross profit of Rs. 209 Million in the comparative quarter. Local sales increased from Rs. 738 Million to Rs. 958 Million while export sales declined from Rs. 999 Million to Rs. 875 Million.

This division is operating at its full capacity, and we foresee that this capacity utilization trend will continue for the rest of the financial year. Further, in continuation of its BMR project, the management of the company has decided to replace its existing, old looms with 62 new air jet looms. These high speed looms will help the company to achieve higher operational efficiency.

Dyeing Division

The effect of depressed demand in international markets still lingers on and is evident in this division. The annual seasonality of sales combined with the uncertainty created by the Covid-19 pandemic has hampered the export of this division.

The Dyeing Division earned a gross profit of Rs. 158 Million as compared with Rs. 377 Million in the comparative quarter. Local sales increased from Rs. 214 Million to Rs. 358 Million and export sales declined from Rs. 1,854 Million to Rs. 1,088 Million.

The effects of the pandemic have started to ease off and consequently international brands have started to resume their retail operations. Keeping in view the trend of economic recovery, the company is hopeful that it will achieve utilization of 80% of the Dyeing Division's operating capacity for the rest of FY21.

Genertek Division

The Government of Pakistan has revised the electricity tariff to 9.0 US cents per kWh from 7.5 US cents per kWh, effective from Sep 2020 for export oriented sectors, while gas prices remained

unchanged at US\$ 6.5 per MMBTU. These prices will remain applicable for rest of FY 21. As the new electricity tariff is 20% higher than the previous tariff, it would cause profit margins of the company to decline in FY21.

In order to achieve greater efficiency and to be competitive in the market, your company has procured two new gas engines with a capacity of 2.5 megawatt each which will bring down the fuel cost by about 20%.

Future Prospects

The supportive decisions of the Government of Pakistan, including low rates for export refinancing schemes, deferment of long term loans, timely release of Drawback of Local Taxes and Levies (DLTL), sale tax and income tax refunds has provided relief for much needed working capital requirements. However, long term adherence to these policies is still a question mark.

The Textile Industry is still facing demand shortages which is resulting in increased absorption of fixed cost owing to unutilized production capacities. This problem, together with the decision of increasing the electricity traffic is likely to burden profitability in the sector.

The company works with brands which are financially healthy and remain committed to keeping their supply chain afloat. The management team is putting together a plan to minimize the effects of the pandemic and emerge as winners in this challenging situation. The prospective order position for FY21 is quite promising and supportive of the aim of operating at high capacity levels. Keeping in view the aforesaid measures taken by the management, and the Government's positive action towards textile reforms, we are confident in maintaining our market share for the rest of FY21.

Acknowledgment

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the employees of the company.

For and on behalf of the Board

Kasur:
26 October 2020


AAMIR FAYYAZ SHEIKH
Chief Executive



ISMAIL AAMIR FAYYAZ
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
80,000,000 (30 June 2020: 80,000,000) ordinary shares of Rupees 10 each	800,000,000	800,000,000	
30,000,000 (30 June 2020: 30,000,000) preference shares of Rupees 10 each	300,000,000	300,000,000	
	1,100,000,000	1,100,000,000	
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2020: 50,911,011) ordinary shares of Rupees 10 each	509,110,110	509,110,110	
Capital reserves			
Share premium reserve	213,406,310	213,406,310	
Fair value reserve	28,556,043	28,556,043	
Surplus on revaluation of operating fixed assets - net of tax	1,784,706,513	1,793,761,543	
Revenue reserves			
General reserve	788,199,282	788,199,282	
Accumulated profit	678,368,597	626,130,750	
Total equity	4,002,346,855	3,959,164,038	
LIABILITIES			
Non-current liabilities			
Long term financing - secured	4	585,357,165	571,231,912
Deferred income - Government grant		4,139,336	5,029,274
Deferred liabilities		258,734,214	252,200,138
		848,230,715	828,461,324
Current liabilities			
Trade and other payables	2,048,809,963	2,074,583,345	
Accrued mark-up	86,373,231	92,580,737	
Short term borrowings - secured	3,167,216,289	3,072,620,841	
Current portion of long term financing	4	174,524,540	131,347,200
Unclaimed dividend	7,119,615	7,119,615	
Provision for taxation	27,293,827	126,504,925	
	5,511,337,465	5,504,756,663	
Total liabilities	6,359,568,180	6,333,217,987	
Contingencies and commitments	5		
TOTAL EQUITY AND LIABILITIES	10,361,915,035	10,292,382,025	

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


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
ASSETS			
Non-current assets			
Fixed assets	6	5,057,076,791	5,028,127,983
Intangible asset	7	-	-
Investment properties		1,981,607	1,981,607
Long term investments		37,197,516	37,197,516
Long term deposits		29,900,657	29,658,957
		<u>5,126,156,571</u>	<u>5,096,966,063</u>
Current assets			
Stores, spares and loose tools		609,340,231	609,272,956
Stock-in-trade		1,974,480,295	1,949,785,864
Trade debts		584,301,206	545,599,398
Advances		153,822,624	111,608,390
Trade deposits and short term prepayments		104,726,753	22,912,554
Other receivables		364,302,253	507,397,314
Sales tax recoverable		619,637,876	682,890,096
Cash and bank balances		825,147,226	765,949,390
		<u>5,235,758,464</u>	<u>5,195,415,962</u>
TOTAL ASSETS		<u><u>10,361,915,035</u></u>	<u><u>10,292,382,025</u></u>


ISMAIL AAMIR FAYYAZ
 DIRECTOR

**CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS (Un-audited)**
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	30 September 2020 Rupees	30 September 2019 Rupees
REVENUE		2,651,221,735	3,312,885,242
COST OF SALES	8	(2,250,935,562)	(2,719,729,112)
GROSS PROFIT		400,286,173	593,156,130
DISTRIBUTION COST		(138,147,383)	(165,485,064)
ADMINISTRATIVE EXPENSES		(80,098,056)	(82,792,099)
OTHER EXPENSES		(56,111,216)	(56,070,211)
		(274,356,655)	(304,347,374)
		125,929,518	288,808,756
OTHER INCOME		14,658,956	6,383,648
PROFIT FROM OPERATIONS		140,588,474	295,192,404
FINANCE COST		(70,669,357)	(89,597,386)
PROFIT BEFORE TAXATION		69,919,117	205,595,018
TAXATION		(26,736,300)	(30,390,591)
PROFIT AFTER TAXATION		43,182,817	175,204,427
EARNINGS PER SHARE - BASIC AND DILUTED		0.85	3.44

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ
DIRECTOR

CONDENSED INTERIM
 STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
 FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020 Rupees	30 September 2019 Rupees
PROFIT AFTER TAXATION	43,182,817	175,204,427
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>43,182,817</u>	<u>175,204,427</u>


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



AAMIR FAYYAZ SHEIKH
 CHIEF EXECUTIVE



KAMRAN SHAHID
 CHIEF FINANCIAL OFFICER




ISMAIL AAMIR FAYYAZ
 DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	30 September 2020 Rupees	30 September 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	69,919,117	205,595,018
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	62,207,243	66,702,436
Gain on sale of operating fixed assets	(1,074,094)	(1,465,703)
Amortization of deferred grant	(889,938)	-
Adjustment due to impact of IAS - 39	3,392,747	3,591,238
Finance cost	67,276,610	86,006,148
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES		
	200,831,685	360,429,137
(Increase) / decrease in current assets		
Stores, spares and loose tools	(67,275)	(91,013,541)
Stock-in-trade	(24,694,431)	(92,737,681)
Trade debts	(38,701,808)	831,064,561
Advances	(42,214,234)	(56,749,205)
Trade deposits and short term prepayments	(81,814,199)	(42,892,815)
Other receivables	(9,945,381)	(31,020,413)
Sales tax recoverable	63,252,220	(279,592,791)
Increase / (decrease) in current liabilities		
Trade and other payables	(25,773,382)	286,235,655
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES		
	(159,958,490)	523,293,770
CASH GENERATED FROM OPERATIONS		
	40,873,195	883,722,907
Income tax paid	26,535,517	(25,386,437)
Long term deposits	(241,700)	-
Finance cost paid	(65,502,575)	(98,042,398)
	(39,208,758)	(123,428,835)
NET CASH GENERATED FROM OPERATING ACTIVITIES		
	1,664,437	760,294,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(93,171,958)	(158,671,435)
Proceeds from sale of operating fixed assets	3,090,001	3,700,000
NET CASH USED IN INVESTING ACTIVITIES		
	(90,081,957)	(154,971,435)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	77,324,783	-
Repayment of long term financing	(24,304,875)	(45,719,035)
Repayment of loan to ex-sponsor	-	(172,257,600)
Short term borrowings - net	94,595,448	(477,377,099)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		
	147,615,356	(695,353,734)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
	59,197,836	(90,031,097)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	765,949,390	426,876,902
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	825,147,226	336,845,805

The annexed notes form an integral part of this condensed interim financial information.


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER


ISMAIL AAMIR FAYYAZ
DIRECTOR

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	RESERVES						TOTAL EQUITY
	CAPITAL RESERVES		REVENUE RESERVES			Total reserves	
	Share premium reserve	Fair value reserve FVTOCI investment	Surplus on revaluation of operating fixed assets - net of tax	General reserve	Accumulated profit		
509,110,110	213,406,310	32,761,682	1,831,887,993	940,932,315	222,791,563	3,241,779,853	3,750,889,963
			(9,531,611)		9,531,611		
-	-	-	-	-	175,204,427	175,204,427	175,204,427
-	-	-	-	-	175,204,427	175,204,427	175,204,427
509,110,110	213,406,310	32,761,682	1,822,356,382	940,932,315	407,527,591	3,416,964,280	3,926,094,390
			(28,594,839)	(152,733,033)	-	(152,733,033)	(152,733,033)
-	-	-	-	-	190,006,320	190,006,320	190,006,320
-	-	(4,205,639)	-	-	-	(4,205,639)	(4,205,639)
-	-	(4,205,639)	-	-	190,006,320	185,802,681	185,802,681
509,110,110	213,406,310	28,556,043	1,793,761,543	788,199,282	626,130,750	3,450,053,928	3,959,164,038
			(9,055,030)	-	9,055,030	-	-
-	-	-	-	-	43,182,817	43,182,817	43,182,817
-	-	-	-	-	43,182,817	43,182,817	43,182,817
509,110,110	213,406,310	28,556,043	1,784,706,513	788,199,282	678,368,597	3,483,236,745	4,002,346,855

Balance as at 30 June 2019

Transferred from surplus on revaluation of operating fixed assets - net of tax

Profit for the quarter ended 30 September 2019

Other comprehensive income for the quarter ended 30 September 2019

Total comprehensive income for the quarter ended 30 September 2019

Balance as at 30 September 2019 - (Un-audited)

Transaction with owners - Final dividend for the year ended 30 June 2019 @

Rupees 3.0 per share of Rupees 10 each

Transferred from surplus on revaluation of operating fixed assets - net of tax

Profit for the nine months ended 30 June 2020

Other comprehensive loss for the nine months ended 30 June 2020

Total comprehensive income for the nine months ended 30 June 2020

Balance as at 30 June 2020 - (audited)

Transferred from surplus on revaluation of operating fixed assets - net of tax

Profit for the quarter ended 30 September 2020

Other comprehensive income for the quarter ended 30 September 2020

Total comprehensive income for the quarter ended 30 September 2020

Balance as at 30 September 2020 - (Un-audited)

The annexed notes form an integral part of this condensed interim financial information.


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER


ISMAIL AAMIR FAYYAZ
DIRECTOR

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited (“the Company”) is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate and supply electricity.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2020.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

3.1 Critical accounting estimates and judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
4. LONG TERM FINANCING -SECURED		
Opening balance	702,579,112	787,340,140
Add : Obtained during the period / year	77,324,783	118,565,192
Add: Adjustment due to impact of IAS - 39 during the period / year	4,282,685	5,844,840
Less: Gain on long term financing measured at amortized cost during the period / year	-	13,421,896
Less: Deferred income - Government Grant during the period / year	-	5,260,165
Less: Repaid during the period / year	24,304,875	190,488,999
	<u>759,881,705</u>	<u>702,579,112</u>
Less: Current portion shown under current liabilities	174,524,540	131,347,200
	<u>585,357,165</u>	<u>571,231,912</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

5.2 Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 9.825 million and Rupees 24.491 million (30 June 2020: Rupees 109.661 million and Rupees 22.610 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 612.282 million (30 June 2020: Rupees 167.158 million).

	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
6. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 6.1)	4,823,869,965	4,870,901,704
Capital work-in-progress (Note 6.2)	233,206,826	157,226,279
	<u>5,057,076,791</u>	<u>5,028,127,983</u>
6.1 Operating fixed assets		
Opening net book value	4,870,901,704	4,826,387,742
Add: Cost of additions during the period / year (Note 6.1.1)	17,191,411	318,725,047
	<u>4,888,093,115</u>	<u>5,145,112,789</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	2,015,907	5,795,137
Depreciation charged during the period / year	62,207,243	268,415,948
	<u>4,823,869,965</u>	<u>4,870,901,704</u>
Closing net book value	<u>4,823,869,965</u>	<u>4,870,901,704</u>

	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
6.1.1 Cost of additions		
Factory building	-	5,798,560
Freehold Land	-	234,131,621
Plant and machinery	9,094,370	49,116,364
Electric installations	3,074,941	6,321,932
Furniture, fixtures and equipment	-	3,184,734
Motor vehicles	5,022,100	20,171,836
	<u>17,191,411</u>	<u>318,725,047</u>
6.1.2 Book value of deletions		
Motor vehicles	2,015,907	5,795,137
	<u>2,015,907</u>	<u>5,795,137</u>
6.2 Capital work-in-progress		
Civil works	117,264,051	64,668,123
Plant and machinery	102,811,570	75,759,566
Stores held for capital expenditures	13,131,205	16,798,590
	<u>233,206,826</u>	<u>157,226,279</u>

7. Intangible asset - computer software has been fully amortized but still in the use of the Company.

	Un-audited 30 September 2020 Rupees	Un-audited 30 September 2019 Rupees
8. COST OF SALES		
Raw material consumed	1,527,579,974	2,122,756,875
Chemicals consumed	192,927,889	228,948,053
Salaries, wages and other benefits	140,752,624	146,096,567
Employee's provident fund contributions	5,517,651	5,371,407
Cloth conversion and processing charges	14,588,892	13,404,541
Fuel, oil and power	248,010,545	270,645,335
Stores, spares and loose tools consumed	49,295,414	44,406,501
Packing materials consumed	6,334,629	20,699,507
Repair and maintenance	7,831,444	8,438,819
Insurance	5,467,959	2,934,746
Other manufacturing expenses	23,161,663	16,869,502
Depreciation on operating fixed assets	58,452,276	62,810,644
	<u>2,279,920,960</u>	<u>2,943,382,497</u>

	Un-audited 30 September 2020 Rupees	Un-audited 30 September 2019 Rupees
Work-in-process inventory		
Opening stock	181,271,612	241,702,860
Closing stock	(165,984,011)	(230,857,935)
	<u>15,287,601</u>	<u>10,844,925</u>
Cost of goods manufactured	2,295,208,561	2,954,227,422
Cost of yarn and cloth purchased for resale	447,393	3,303,960
	<u>2,295,655,954</u>	<u>2,957,531,382</u>
Finished goods inventory		
Opening stock	1,226,288,778	909,394,411
Closing stock	(1,271,009,170)	(1,147,196,681)
	<u>(44,720,392)</u>	<u>(237,802,270)</u>
	<u><u>2,250,935,562</u></u>	<u><u>2,719,729,112</u></u>

9. SEGMENT INFORMATION (Un-audited)

9.1 The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving	Production of different qualities of greige fabric using yarn.
Dyeing	Processing of greige fabric for production of dyed fabric.
Power Generation	Generation and distribution of power and steam using gas, oil and coal.

9.2 Quarter ended 30 September 2020

	Weaving Rupees	Dyeing Rupees	Power Generation Rupees	Total- Company Rupees
Total Sale	1,833,830,345	1,447,125,238	203,099,196	3,484,054,779
Intersegment Sale	(561,180,664)	(68,553,184)	(203,099,196)	(832,833,044)
External Sale	<u>1,272,649,681</u>	<u>1,378,572,054</u>	<u>-</u>	<u>2,651,221,735</u>
Profit from operation before taxation and unallocated income / expense	<u>136,480,660</u>	<u>63,322,677</u>	<u>(3,103,647)</u>	<u>196,699,690</u>
Other income and expense-Net				(56,111,216)
Profit from operations				140,588,474
Finance Cost				(70,669,357)
Taxation				(26,736,300)
Profit after taxation				<u><u>43,182,817</u></u>

Quarter ended 30 September 2019

Total Sale	1,737,269,181	2,069,248,781	219,295,182	4,025,813,144
Intersegment Sale	(461,227,666)	(32,405,054)	(219,295,182)	(712,927,902)
External Sale	<u>1,276,041,515</u>	<u>2,036,843,727</u>	<u>-</u>	<u>3,312,885,242</u>
Profit from operations before taxation and unallocated income / expenses	<u>127,214,562</u>	<u>213,764,777</u>	<u>3,899,628</u>	<u>344,878,967</u>
Other income and expense-net				(49,686,563)
Profit from operations				295,192,404
Finance Cost				(89,597,386)
Taxation				(30,390,591)
Profit after taxation				<u><u>175,204,427</u></u>

9.3 There is no material change in segment assets from amount disclosed in preceding published audited annual financial statements.

10. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited 30 September 2020 Rupees	Un-audited 30 September 2019 Rupees
Other Related Parties.		
Repayment of ex-sponsor Loan	-	172,257,600
Remuneration paid to Chief Executive Officer, Directors and Executives	30,324,643	33,664,548
Contribution to employees' provident fund trust	7,723,613	6,416,986

11. 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.

12. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the company did not proposed any dividend for the year ended 30 June 2020. (2019: Rs. 3.00 per share) on their meeting held on 23 September 2020.

13. AUTHORIZED FOR ISSUE

This condensed interim financial information was authorized for issue on 26 October,2020 by the Board of Directors of the Company.

14. CORRESPONDING FIGURES

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

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ
DIRECTOR



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