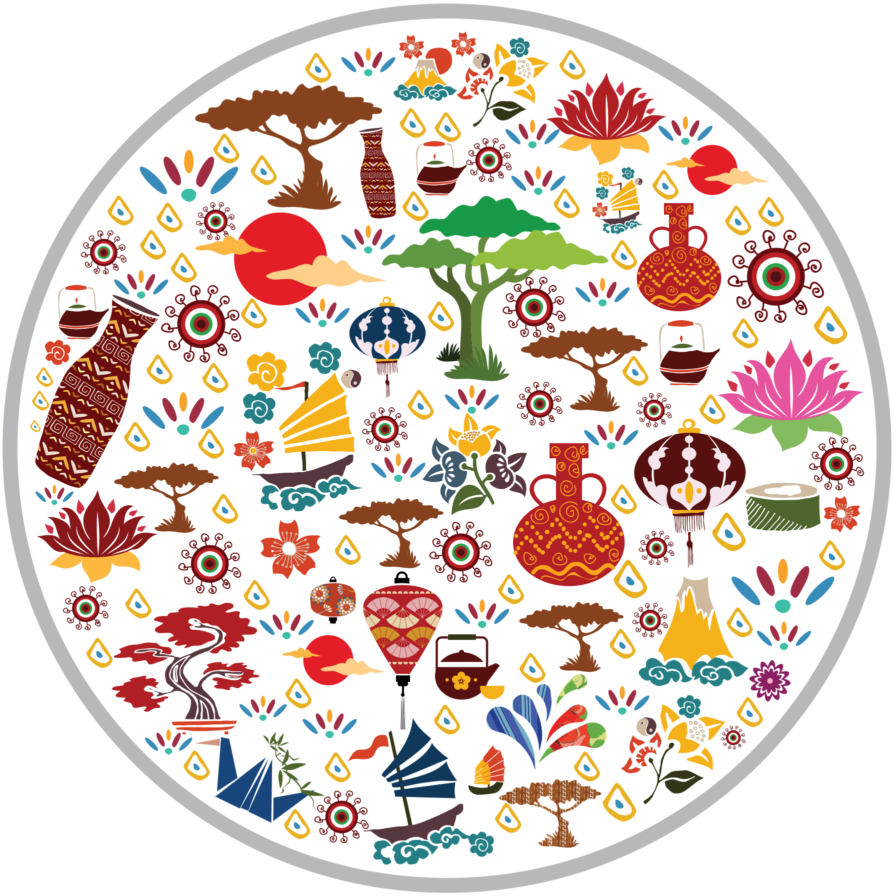
Kohinoor Textile Mills Limited

3rd Quarterly Report
March 31, 2019



DELIVERING QUALITY THROUGH EXCELLENCE

DELIVERING QUALITY THROUGH EXCELLENCE

Entering in the era of third generation with expertise acquired over a period of more than half-century, our people have achieved excellence in production processes, product development and delivering unmatchable quality products to our valued customers. Our commitment is to continue strengthening the value proposition by striving for operational excellence and efficiency across the organization. Innovative production technologies lead us to deliver the high-quality products while remaining cost effective.

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Company Information

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad Ashraf

Chief Internal Auditor
Mr. Zeeshan Malik Bhutta

Auditors
M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser
Mr. Muhammad Salman Masood
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 2019, in compliance with requirements of Section 237 of the Companies Act, 2017.

REVIEW OF OPERATIONS

The results of the Spinning division are slightly weaker than the previous quarter due mainly to high raw material prices resulting from devaluation of the Pakistani rupee. However, going forward we are hopeful that the 2019 crop will be better in terms of quality and quantity as growers have had a most profitable year which should result in a larger area being planted. The Company is well covered for the next few months and any delay in arrival of the new crop should not affect us. The Company continues to invest in new technology to further improve its quality and productivity, as well as, diversifying its product offerings.

The results of the Weaving division are consistent with those of the previous quarter, however, the Company's order books are full for several months due in large part to exchange rate movements and energy pricing corrections made by the government.

The Cut & Sew division performed in line with the previous quarter. However, the emphasis going forward is on making much higher value products to differentiate the Company from its competitors; in this regard, investment in plant and machinery continues to be made.

The second phase of the Company's solar power project should be completed shortly and should contribute to decreasing the Company's energy costs going forward.

FINANCIAL REVIEW

During the period under review, Company's sales increased by 17.98% to Rupees 15,536 million (2018: Rupees 13,168 million), while cost of sales increased by 14.58% to Rupees 12,917 million (2018: Rupees 11,273 million). This resulted in gross profit of Rupees 2,619 million (2018: Rupees 1,894 million).

Operating profit for the period under review stood at Rupees 2,158 million (2018: Rupees 2,130 million). The Company recorded after tax profit of Rupees 1,421 million (2018: Rupees 1,348 million). Earnings per share for the nine months ended 31 March 2019 stood at Rupees 4.75 against Rupees 4.50 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

Lahore	Syed Mohsin Raza Naqvi	Taufique Sayeed Saigol
25 April 2019	Director	Chief Executive

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2019

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2018: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2018: 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 2018: 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		7,370,386	6,548,050
		8,820,877	7,998,541
Total equity		16,642,962	15,820,626
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	1,395,575	1,335,099
Deferred income tax liability		521,233	515,577
		1,916,808	1,850,676
CURRENT LIABILITIES			
Trade and other payables		2,192,820	1,797,734
Accrued mark-up		83,165	63,351
Short term borrowings		4,639,822	4,635,384
Current portion of non-current liabilities	4	424,666	388,301
Unclaimed dividend		21,147	20,757
Unpaid Dividend		299,296	-
Taxation - net		519,390	295,127
		8,180,306	7,200,654
Total liabilities		10,097,114	9,051,330
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		26,740,076	24,871,956

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 2019	Audited 30 June 2018
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	8,780,200	8,578,713
Investment properties		1,792,755	1,792,755
Long term investments		7,734,799	7,734,799
Long term deposits		56,540	49,624
		18,364,294	18,155,891
CURRENT ASSETS			
Stores, spare parts and loose tools		637,028	530,567
Stock-in-trade		4,308,698	2,574,838
Trade debts		1,772,024	1,699,015
Advances		284,912	718,354
Security deposits and short term prepayments		22,513	9,564
Accrued interest		601	725
Other receivables		908,902	1,013,055
Short term investments		-	8,042
Cash and bank balances		441,104	161,905
		8,375,782	6,716,065
TOTAL ASSETS		26,740,076	24,871,956

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-Audited)
For the nine months ended 31 March 2019

	Nine months ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
REVENUE	15,535,787	13,167,519	5,155,742	4,379,645
COST OF SALES	(12,917,258)	(11,273,046)	(4,309,267)	(3,670,730)
GROSS PROFIT	2,618,529	1,894,473	846,475	708,915
DISTRIBUTION COST	(401,236)	(367,315)	(144,572)	(120,659)
ADMINISTRATIVE EXPENSES	(404,537)	(370,369)	(130,316)	(123,771)
OTHER EXPENSES	(129,466)	(143,520)	(30,765)	(74,559)
	(935,239)	(881,204)	(305,653)	(318,989)
	1,683,290	1,013,269	540,822	389,926
OTHER INCOME	475,137	1,116,878	39,473	525,999
PROFIT FROM OPERATIONS	2,158,427	2,130,147	580,295	915,925
FINANCE COST	(309,999)	(272,796)	(107,547)	(114,827)
PROFIT BEFORE TAXATION	1,848,428	1,857,351	472,748	801,098
TAXATION				
- Current	(421,844)	(424,375)	(125,922)	(194,866)
- Deferred	(5,656)	(85,296)	(21,186)	(18,628)
	(427,500)	(509,671)	(147,108)	(213,494)
PROFIT AFTER TAXATION	1,420,928	1,347,680	325,640	587,604
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	4.75	4.50	1.09	1.96

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 2019

	Nine months ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	.... (Rupees in thousand)			....
PROFIT AFTER TAXATION	1,420,928	1,347,680	325,640	587,604
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	1,420,928	1,347,680	325,640	587,604

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 2019

	Note	31 March 2019	31 March 2018
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	1,211,733	706,604
Finance cost paid		(290,185)	(236,419)
Income tax paid		(197,581)	(116,325)
Net (decrease) / increase in long term deposits		(6,916)	7,055
Net cash generated from operating activities		717,051	360,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(613,172)	(615,088)
Proceeds from sale of property, plant and equipment		36,685	8,101
Intangible asset under development		-	(494)
Long term investment made		-	(2,367,710)
Short term investments made		(1,051,677)	(1,776,531)
Proceeds from disposal of investments		1,051,322	1,745,212
Interest received		8,742	13,021
Dividends received		327,875	509,969
Net cash used in investing activities		(240,225)	(2,483,520)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of right shares		-	1,016,478
Proceeds from long term financing		370,470	406,374
Repayment of long term financing		(273,629)	(180,147)
Repayment of liabilities against assets subject to finance lease		-	(20,717)
Short term borrowings - net		4,438	1,373,074
Dividend paid		(298,906)	(422,760)
Net cash (used in) / generated from financing activities		(197,627)	2,172,302
NET INCREASE IN CASH AND CASH EQUIVALENTS		279,199	49,697
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD		161,905	154,935
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		441,104	204,632

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 2019

	SHARE CAPITAL	RESERVES							TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES			Total 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 2017 - Audited	2,823,551	144,919	3,822,453	3,967,372	1,450,491	5,681,382	7,131,873	11,099,245	13,922,796
Profit for the nine months ended 31 March 2018	-	-	-	-	-	1,347,680	1,347,680	1,347,680	1,347,680
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	1,347,680	1,347,680	1,347,680	1,347,680
Transactions with owners:									
- final dividend for the year ended 30 June 2017 @ Rupees 1.50 per share	-	-	-	-	-	(423,533)	(423,533)	(423,533)	(423,533)
- interim dividend for the year ended 30 June 2018 @ Rupees 1.25 per share	-	-	-	-	-	(374,121)	(374,121)	(374,121)	(374,121)
- issuance of right shares	169,413	841,158	-	841,158	-	-	-	841,158	1,010,571
	169,413	841,158	-	841,158	-	(797,654)	(797,654)	43,504	212,917
Balance as at 31 March 2018 - Unaudited	2,992,964	986,077	3,822,453	4,808,530	1,450,491	6,231,408	7,681,899	12,490,429	15,483,393
Profit for the period ended 30 June 2018	-	-	-	-	-	316,642	316,642	316,642	316,642
Other comprehensive income for the period ended 30 June 2018	-	-	20,591	20,591	-	-	-	20,591	20,591
Total comprehensive income for the period ended 30 June 2018	-	-	20,591	20,591	-	316,642	316,642	337,233	337,233
Balance as at 30 June 2018 - (Audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	6,548,050	7,998,541	12,827,662	15,820,626
Transaction with owners:									
- Final dividend for the year ended 30 June 2018 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
- Interim dividend for the year ended 30 June 2019 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)
	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)
Profit for the nine months ended 31 March 2019	-	-	-	-	-	1,420,928	1,420,928	1,420,928	1,420,928
Other comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	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	7,370,386	8,820,877	13,649,998	16,642,962

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 2019

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. 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, 2017 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 2018 except for the changes in accounting policies as stated in note 3.2 to these unconsolidated condensed interim financial statements.

3.1 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 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018.

3.2.1 IFRS 15 - Revenue from contracts with customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Compnay's performance as the Company performs;

- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or

- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Impact of adoption of IFRS 15 on these unconsolidated condensed interim finanacial statements:

The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any significant impact on the revenue recognition of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

3.2.2 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.2.3 IFRS 9 "Financial Instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 by generally without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impaiment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated condensed interim financial statements as there is no hedge activity carried on by the Company during the period ended 31 March 2019.

iv) Impacts of adoption of IFRS 9 on these unconsolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018). The main effect resulting from this reclassification is as follows:

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification of financial instruments of the Company were as follows:

	Measurement category	
	Original (IAS 39)	New (IFRS 9)
Non-current financial assets		
Long term deposits	Loans and receivables	Amortized Cost
Current financial assets		
Trade debts	Loans and receivables	Amortized Cost
Advances	Loans and receivables	Amortized Cost
Security deposits	Loans and receivables	Amortized Cost
Accrued interest	Loans and receivables	Amortized Cost
Other receivables	Loans and receivables	Amortized Cost
Cash and bank balances	Loans and receivables	Amortized Cost
Non-current financial liabilities		
Long term financing	Amortized Cost	Amortized Cost
Current financial liabilities		
Trade and other payables	Amortized Cost	Amortized Cost
Accrued mark-up	Amortized Cost	Amortized Cost
Short term borrowings	Amortized Cost	Amortized Cost
Current portion of long term financing	Amortized Cost	Amortized Cost
Unclaimed dividend	Amortized Cost	Amortized Cost

However, due to adoption of IFRS 9 there is no change in the carrying values of the financial assets and liabilities.

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	
4. LONG TERM FINANCING		
Secured		
Opening balance	1,723,400	1,553,740
Add : Obtained during the period / year	370,470	441,988
	2,093,870	1,995,728
Less: Repaid during the period / year	273,629	272,328
	1,820,241	1,723,400
Less: Current portion shown under current liabilities	424,666	388,301
Closing balance	1,395,575	1,335,099

5. CONTINGENCIES AND COMMITMENTS

5.1 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 2018.

5.2 Commitments in respect of letters of credit

a) Letters of credit for capital expenditure amounting to Rupees 98.653 million (30 June 2018: Rupees 111.231 million).

b) Letters of credit other than for capital expenditure amounting to Rupees 745.601 million (30 June 2018: Rupees 156.753 million).

c) Contracts for capital expenditure amounting to Rupees Nil (30 June 2018: Rupees 6.661 million).

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
Owned (Note 6.1)	8,637,002	8,367,262
Capital work-in-progress (Note 6.2)	143,198	211,451
	8,780,200	8,578,713
6.1 Operating fixed assets - owned		
Opening book value	8,367,262	8,050,453
Add : Cost of additions during the period / year (Note 6.1.1)	682,717	753,051
Add : Revaluation of freehold land during the period / year	-	20,591
Add : Transfer from leased assets	-	56,730
	9,049,979	8,880,825
Less : Book value of deletions during the period / year (Note 6.1.2)	18,984	14,913
	9,030,995	8,865,912
Less : Depreciation charged during the period / year	393,993	498,650
Closing book value	8,637,002	8,367,262

	Un-audited 31 March 2019	Audited 30 June 2019
	(Rupees in thousand)	
6.1.1 Cost of additions		
Buildings	86,552	43,932
Plant and machinery	557,350	683,778
Services and other equipment	849	509
Computers	4,578	3,849
Furniture and fixture	830	1,409
Office equipment	2,930	2,867
Vehicles	29,628	16,707
	682,717	753,051
6.1.2 Book value of deletions		
Plant and machinery	14,442	8,428
Computer and IT installations	82	317
Vehicles	4,460	6,087
Office equipment	-	81
	18,984	14,913
6.2 Capital work-in-progress		
Civil works and buildings	47,483	14,309
Plant and machinery	86,937	98,519
Advances for capital expenditure	8,778	29,067
Letters of credit	-	69,556
	143,198	211,451

	Un-audited 31 March 2019	Un-audited 31 March 2018
	(Rupees in thousand)	
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,848,428	1,857,351
Adjustments for non-cash charges and other items:		
Depreciation	393,993	373,176
Finance cost	309,999	272,796
Gain on sale of property, plant and equipment	(18,993)	(3,709)
Gain on remeasurement of investments at fair value through profit or loss	-	(811)
Loss on sale of investments at fair value through profit or loss	8,397	31,032
Dividend income	(327,875)	(1,001,724)
Return on bank deposits	(8,618)	(13,021)
Working capital changes (Note 7.1)	(993,598)	(808,486)
	1,211,733	706,604

7.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(106,461)	(3,991)
Stock-in-trade	(1,733,860)	(827,609)
Trade debts	(73,009)	58,398
Advances	433,442	(104,737)
Security deposits and short term prepayments	(12,949)	13,700
Other receivables	104,153	41,621
	(1,388,684)	(822,618)
Increase in trade and other payables	395,086	14,132
	(993,598)	(808,486)

8. 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 2019	31 March 2018	31 March 2019	31 March 2018
	.... (Rupees in thousand)			
i) Transactions				
Subsidiary companies				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	79,156	32,533	39,493	23,053
Purchase of fixed assets	-	1,785	-	-
Mark up paid	3,527	-	1,371	-
Mark up received	6,551	-	1,336	-
Dividend received	327,837	509,969	-	-
Investment made	-	2,367,710	-	-
Maple Leaf Capital Limited				
Loan obtained	-	1,250,000	-	-
Loan repaid	431,530	740,000	60,000	-
Mark-up on loan	13,488	27,749	1,610	9,771
Other related parties				
Company's contribution to provident fund trust	37,844	36,114	12,576	12,126
Remuneration of Chief Executive Officer, Directors and Executives	151,943	127,867	56,004	52,424

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	
ii) Period / year end balances		
Maple Leaf Cement Factory Limited		
Other receivables	-	259,192
Trade and other payables	202,015	-
Maple Leaf Capital Limited		
Short term borrowing	-	431,530
Other receivables	695	695

9. SEGMENT INFORMATION

9.1

	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		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousands)									
REVENUE:										
EXTERNAL	8,007,617	6,622,451	2,945,604	2,625,104	4,582,566	3,919,964	-	-	15,535,787	13,167,519
INTER-SEGMENT	365,557	365,763	1,054,375	954,898	-	-	(1,419,932)	(1,320,661)	-	-
	8,373,174	6,988,214	3,999,979	3,580,002	4,582,566	3,919,964	(1,419,932)	(1,320,661)	15,535,787	13,167,519
COST OF SALES	(6,919,928)	(5,955,142)	(3,688,892)	(3,349,060)	(3,728,370)	(3,289,505)	1,419,932	1,320,661	(12,917,258)	(11,273,046)
GROSS PROFIT	1,453,246	1,033,072	311,087	230,942	854,196	630,459	-	-	2,618,529	1,894,473
SELLING AND DISTRIBUTION EXPENSES	(32,196)	(23,980)	(53,912)	(59,510)	(315,128)	(283,825)	-	-	(401,236)	(367,315)
ADMINISTRATIVE EXPENSES	(163,250)	(134,981)	(102,902)	(111,273)	(138,385)	(124,115)	-	-	(404,537)	(370,369)
	(195,446)	(158,961)	(156,814)	(170,783)	(453,513)	(407,940)	-	-	(805,773)	(737,684)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	1,257,800	874,111	154,273	60,159	400,683	222,519	-	-	1,812,756	1,156,789
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(129,466)	(143,520)
OTHER INCOME									475,137	1,116,878
FINANCE COST									(309,999)	(272,796)
TAXATION									(427,500)	(509,671)
									(391,828)	190,891
PROFIT AFTER TAXATION									1,420,928	1,347,680

9.2 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 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018
	Rupees in thousands							
TOTAL ASSETS FOR REPORTABLE SEGMENTS	7,090,251	5,910,038	2,911,078	3,404,394	2,924,119	3,112,506	12,925,448	12,426,938
UNALLOCATED ASSETS							13,814,628	12,445,018
TOTAL ASSETS AS PER UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION							26,740,076	24,871,956

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

	Spinning		Weaving		Processing and home textile		Company	
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,776,604	1,194,478	1,098,955	1,387,908	4,530,623	4,177,132	7,406,182	6,759,518
UNALLOCATED LIABILITIES							2,690,932	2,291,812
TOTAL LIABILITIES AS PER UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION							10,097,114	9,051,330

All segment liabilities are allocated to reportable segments other than trade and other payables, corporate borrowings and current and deferred tax liabilities.

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

10.1 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 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.

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

As at 31 March 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

As at 30 June 2018	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 at least annually and for its freehold land (classified as property, plant and equipment) at least every three years. 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 at the end of every financial year and for freehold land at least every three years. As at 30 December 2018, 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.

12. 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 2018.

13. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 April 2019.

14. 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 compareable period of immediately preceding financial year.

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

15. 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 INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2019

Directors' Review on Consolidated Condensed Interim Financial Statements

In compliance with section 237 of the Companies Act, 2017, the Directors of your Company 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 2019.

The subsidiaries companies of Kohinoor Textile Mills Limited are:

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

GROUP RESULTS

Consolidated financial highlights of the Group are as follows:

	Nine months ended	
	Un-audited 31 March 2019	Un-audited 31 March 2018
	(Rupees in million)	
Net sales revenue	33,733	32,437
Gross profit	7,599	8,924
Profit from operations	5,772	6,534
Financial charges	1,336	838
Net profit after taxation	3,375	4,063
	(Rupees)	
Earnings per share - Basic and diluted	8.04	8.18

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

Net sales revenue of MLCFL remained Rupees 18,276 million (31 March 2018: Rupees 19,239 million). It has earned after tax profit of Rupees 1,151 million (31 March 2018: Rupees 2,854 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 742 million (31 March 2018: Rupees 535 million).

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 209 million (31 March 2018: Rupees 181 million).

Kohinoor Capital Limited (KCL)

Kohinoor Capital Limited (KCL) was incorporated on 28 November 2018 and Subsidiary company (MLCL) holds 100% shares of KCL. KCL has earned after tax profit of Rupees 9 million for the period ended 31 March 2019.

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	Syed Mohsin Raza Naqvi	Taufique Sayeed Saigol
25 April 2019	Director	Chief Executive

Consolidated Condensed Interim Statement of Financial Position

As at 31 March 2019

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2018: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2018: 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		2,992,964	2,992,964
299,296,456 (30 June 2018: 299,296,456) ordinary shares of Rupees 10 each.			
Reserves			
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of land and investment properties		4,036,717	4,036,717
		5,022,794	5,022,794
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		19,287,885	17,480,368
		20,738,376	18,930,859
Equity attributable to equity holders of the Holding Company		28,754,134	26,946,617
Non-controlling interest		13,573,189	12,869,953
Total equity		42,327,323	39,816,570
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	17,948,281	14,277,179
Long term deposits		8,664	8,715
Retirement benefits		200,977	183,764
Retention money payable		374,812	310,735
Deferred income tax liability		2,664,751	2,850,450
		21,197,485	17,630,843
CURRENT LIABILITIES			
Trade and other payables		7,245,749	7,079,339
Accrued mark-up		648,843	339,808
Short term borrowings		11,062,609	9,988,756
Current portion of non-current liabilities	5	1,385,051	1,198,917
Unclaimed dividend		131,475	131,500
Unpaid dividend		299,296	-
		20,773,023	18,738,320
Total liabilities		41,970,508	36,369,163
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		84,297,831	76,185,733

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 2019	Audited 30 June 2018
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	55,270,285	50,049,675
Investment properties		1,792,755	1,792,755
Intangibles		15,214	16,811
Long term loans to employees		20,459	9,472
Long term deposits		113,420	106,178
		57,212,133	51,974,891
CURRENT ASSETS			
Stores, spare parts and loose tools		8,798,509	7,554,693
Stock -in- trade		5,939,883	3,768,345
Trade debts		3,377,082	2,977,474
Loans and advances		1,948,478	3,253,082
Security deposits and short term prepayments		195,816	133,919
Accrued interest		3,150	2,454
Other receivables		799,155	970,407
Taxation - net		219,525	564,605
Short term investments		4,555,354	3,881,120
Cash and bank balances		1,248,746	1,104,743
		27,085,698	24,210,842
TOTAL ASSETS		84,297,831	76,185,733

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim
Statement of Profit or Loss (Un-Audited)
For the nine months ended 31 March 2019

	Nine months ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	.... (Rupees in thousand)			
REVENUES	33,732,842	32,437,352	11,143,350	11,380,679
COST OF SALES	(26,133,619)	(23,513,259)	(8,843,609)	(8,183,725)
GROSS PROFIT	7,599,223	8,924,093	2,299,741	3,196,954
DISTRIBUTION COST	(1,008,272)	(1,290,008)	(362,004)	(434,243)
ADMINISTRATIVE EXPENSES	(996,283)	(934,889)	(318,240)	(349,670)
OTHER EXPENSES	(332,826)	(571,229)	(55,380)	(278,919)
	(2,337,381)	(2,796,126)	(735,624)	(1,062,832)
	5,261,842	6,127,967	1,564,117	2,134,122
OTHER INCOME	510,108	405,556	282,017	31,582
PROFIT FROM OPERATIONS	5,771,950	6,533,523	1,846,134	2,165,704
FINANCE COST	(1,336,274)	(838,088)	(404,241)	(367,589)
PROFIT BEFORE TAXATION	4,435,676	5,695,435	1,441,893	1,798,115
PROVISION FOR TAXATION	(1,060,472)	(1,632,672)	(327,263)	(586,737)
PROFIT AFTER TAXATION	3,375,204	4,062,763	1,114,630	1,211,378
SHARE OF PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	2,406,109	2,448,627	802,338	694,928
NON CONTROLLING INTEREST	969,095	1,614,136	312,292	516,450
	3,375,204	4,062,763	1,114,630	1,211,378
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	8.04	8.18	2.68	2.32

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 2019

	Nine months ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
PROFIT AFTER TAXATION	3,375,204	4,062,763	1,114,630	1,211,378
OTHER COMPREHENSIVE INCOME				
Items that will not be classified to profit or loss	-	-	-	-
Items that may be classified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,375,204	4,062,763	1,114,630	1,211,378
Share of total comprehensive income attributable to :				
Equity holders of Holding Company	2,406,109	2,448,627	802,338	694,928
Non-controlling interest	969,095	1,614,136	312,292	516,450
	3,375,204	4,062,763	1,114,630	1,211,378

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 2019

	Note	31 March 2019	31 March 2018
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	5,659,547	6,351,970
Finance cost paid		(1,027,239)	(779,784)
Employees benefits paid		(15,937)	(32,111)
Net increase in retention money		(64,077)	-
Income tax paid		(901,091)	(1,558,983)
Net increase in long term loans to employees		(10,987)	-
Net (increase) / decrease in long term deposits		(7,242)	4,043
Net cash generated from operating activities		3,632,974	3,985,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(7,384,022)	(14,038,096)
Intangible assets under development		(1,597)	(494)
Interest received		22,607	27,448
Proceeds from sale of property, plant and equipment		114,390	35,218
Long term investment made			(2,367,710)
Short term investments made		(1,366,957)	(2,855,256)
Proceeds from disposal of investments		1,051,322	2,235,397
Dividend received		38	-
Net cash used in investing activities		(7,564,219)	(16,963,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from long term financing		4,130,865	5,769,507
Short term borrowings (net)		842,644	2,631,386
Repayment of long term financing		(273,629)	(180,147)
Proceeds from right shares		-	5,258,309
Repayment of liabilities against assets subject to finance lease		-	(504,029)
Redemption of preference shares		(59,447)	(15)
Dividend paid		(565,185)	(835,050)
Net cash generated from financing activities		4,075,248	12,139,961
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		144,003	(838,397)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,104,743	1,817,174
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,248,746	978,777

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 2019

	SHARE CAPITAL	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								NON CON-TROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES			Total reserves	Total		
		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 2017 - Audited	2,823,551	144,919	4,016,126	4,161,045	1,450,491	14,743,113	16,193,604	20,354,649	23,178,200	9,600,270	32,778,470
Transactions with owners:											
- Final dividend for the year ended 30 June 2017 @ Rupees 1.50 per share	-	-	-	-	-	(423,533)	(423,533)	(423,533)	(423,533)	-	(423,533)
- Interim dividend for the year ended 30 June 2018 @ Rupees 1.25 per share	-	-	-	-	-	(352,944)	(352,944)	(352,944)	(352,944)	-	(352,944)
- Issuance of right shares	169,413	841,158	-	841,158	-	-	-	841,158	1,010,571	1,899,522	2,910,093
- Dividend paid to non-controlling interest holders	-	-	-	-	-	-	-	-	-	(812,341)	(812,341)
	169,413	841,158	-	841,158	-	(776,477)	(776,477)	64,681	234,094	1,087,181	1,321,275
Profit for the nine months ended 31 March 2018	-	-	-	-	-	2,448,627	2,448,627	2,448,627	2,448,627	1,614,136	4,062,763
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	2,448,627	2,448,627	2,448,627	2,448,627	1,614,136	4,062,763
Balance as at 31 March 2018 - Unaudited	2,992,964	986,077	4,016,126	5,002,203	1,450,491	16,415,263	17,865,754	22,867,957	25,860,921	12,301,587	38,162,508
Profit for the period ended 30 June 2018	-	-	-	-	-	1,076,301	1,076,301	1,076,301	1,076,301	577,445	1,653,746
Other comprehensive income for the period ended 30 June 2018	-	-	20,591	20,591	-	(11,196)	(11,196)	9,395	9,395	(9,079)	316
Total comprehensive income for the period ended 30 June 2018	-	-	20,591	20,591	-	1,065,105	1,065,105	1,085,696	1,085,696	568,366	1,654,062
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
Transactions with owners:											
- Final dividend for the year ended 30 June 2018 @ Rupees 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2019 @ Rupees 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 nine months ended 31 March 2019	-	-	-	-	-	2,406,109	2,406,109	2,406,109	2,406,109	969,095	3,375,204
Other comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	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	19,287,885	20,738,376	25,761,170	28,754,134	13,573,189	42,327,323

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 2019

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

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

The Holding Company holds 55.22% (30 June 2018: 55.22%) shares of Maple Leaf Cement Factory Limited and 82.93% (30 June 2018: 82.93%) shares of Maple Leaf Capital Limited, 55.22% (30 June 2018: 55.22%) shares of Maple Leaf Power Limited and 82.93% (30 June 2018: Nil) shares of Kohinoor Capital Limited.

1.2 Subsidiary Companies

1.2.1 Maple Leaf Cement factory Limited (MLCFL)

Maple Leaf Cement Factory Limited (MLCFL) was incorporated in Pakistan on 13 April1960 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.

1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited (MLCL) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance, 1984 (now Comapnies Act, 2017) as a public limited 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.

1.2.3 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 Comanies 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.

1.2.4 Kohinoor Capital Limited (KCL)

Kohinoor Capital Limited ("the Subsidiary") was incorporated in Pakistan on 28 November 2018 as a public limited company under the Comanies Act, 2017. The registered office of KCL is located 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.

2. BASIS OF PREPARATION

These consolidated 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.

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 2018. 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, 2017 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 2018 except for the changes in accounting policies as stated in note 3.2 to these consolidated condensed interim financial statements.

3.1 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 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018.

3.2.1 IFRS 15 - Revenue from contracts with customers

The Group has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Group's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Group's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Group has adopted IFRS 15 by applying the modified retrospective approach according to which the Group is not required to restate the prior year results.

Key changes in accounting policies resulting from application of IFRS 15

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Compnay's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Impact of adoption of IFRS 15 on these consolidated condensed interim finanacial statements:

The Group has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any significant impact on the revenue recognition of the Group and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

3.2.2 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.2.3 IFRS 9 "Financial Instruments"

The Group has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Group's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Group. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group has adopted IFRS 9 by generally without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impaiment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these consolidated condensed interim financial statements as there is no hedge activity carried on by the Group during the period ended 31 March 2019.

iv) Impacts of adoption of IFRS 9 on these consolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of IFRS 9 (01 July 2018). The main effect resulting from this reclassification is as follows:

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the financial instruments of the Group categorized under "loan and receivables" as per IAS 39 have been re-categorized under "amortized cost" as required by IFRS 9.

However, due to adoption of IFRS 9 there is no change in the carrying values of the financial assets and liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information 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 this consolidated condensed interim financial information, 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 2018.

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	

5. LONG TERM FINANCING

Secured

	Un-audited 31 March 2019	Audited 30 June 2018
Opening balance	15,476,096	4,657,500
Add : Obtained during the period / year	4,130,865	11,090,924
Less: Repaid during the period/ year	273,629	272,328
	19,333,332	15,476,096
Less: Current portion shown under current liabilities	1,385,051	1,198,917
	17,948,281	14,277,179

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 2018.

6.2 Commitments in respect of letters of credit

(i) Letter of credit for capital expenditure are Rupees 2,711.821 million (30 June 2018: Rupees 5,284.011 million).

(ii) Letters of credit other than for capital expenditure amount to Rupees 1,591.753 million (30 June 2018: Rupees 1,549.443 million).

(iii) Contracts for capital expenditure amounting to Rupees Nill (30 June 2018: Rupees 747.312 million).

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	

7. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March 2019	Audited 30 June 2018
Operating fixed assets:		
Owned (Note 7.1)	30,697,078	31,760,197
Capital work-in-progress (Note 7.2)	24,573,207	18,289,478
	55,270,285	50,049,675

7.1 Operating fixed assets - Owned

	Un-audited 31 March 2019	Audited 30 June 2018
Opening book value	31,760,197	24,580,786
Add : Cost of additions during the period / year (Note 7.1.1)	1,100,293	9,373,151
Add : Revaluation of freehold land during the period/year	-	20,591
Add : Transferred from leased assets	-	400,728
	32,860,490	34,375,256
Less : Book value of deletions during the period / year (7.1.2)	105,758	69,217
	32,754,732	34,306,039
Less : Depreciation charged during the period / year	2,057,654	2,545,842
Closing book value	30,697,078	31,760,197

	Un-audited 31 March 2019	Audited 30 June 2019
	(Rupees in thousand)	
7.1.1 Cost of additions		
Buildings	158,614	2,159,520
Plant and machinery	692,890	7,003,992
Service and other equipment	1,892	509
Computer and IT installations	5,632	4,882
Furniture and fixture	140,807	61,782
Office equipment	2,930	2,867
Quarry equipment	7,080	-
Vehicles	90,448	139,599
	1,100,293	9,373,151
7.1.2 Book value of deletions		
Buildings	-	400
Plant and machinery	86,855	48,833
Computer and IT installations	110	361
Furniture and fixture	-	35
Office equipment	-	81
Vehicles	18,793	19,305
Quarry equipment	-	202
	105,758	69,217
7.2 Capital work-in-progress		
Tangible assets		
Plant and machinery	14,948,564	11,015,292
Civil Works	6,411,143	4,319,448
Purchase of land	760,610	736,048
Other directly attributable costs		
Letters of credit	-	69,556
Store held for capitalization	-	1,204,297
Unallocated capital expenditure	1,612,861	477,072
Advances to suppliers against:		
Plant and machinery	286,969	108,343
Civil works	190,362	322,626
Mechanical items	400	4,615
Furniture and fixture	425	-
Vehicles	6,640	3,114
Others-major spare parts and stand-by equipments	355,233	29,067
	24,573,207	18,289,478

	Un-audited 31 March 2019	Un-audited 31 March 2018
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	4,435,676	5,695,435
Adjustment for non-cash charges and other items		
Depreciation	2,057,654	1,830,088
Amortization held to maturity investment	-	6,302
Amortization of intangible assets	7,254	-
Finance cost	1,336,274	865,803
Employees' compensated absences	42,809	14,790
Provision for doubtful debts	-	20,000
Gain on sale of property, plant and equipment	(9,924)	(7,443)
Loss / (gain) on remeasurement of investments at fair values through profit or loss	83,825	(811)
Loss / (gain) on disposal of investment at fair values through profit or loss	8,397	(17,174)
Return on bank deposits	(23,303)	(26,249)
Dividend received	(38)	-
Working capital changes (Note 8.1)	(2,279,077)	(2,028,771)
	5,659,547	6,351,970
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(1,243,816)	(1,695,449)
Stock-in-trade	(2,171,538)	(663,402)
Trade debts	(399,608)	(780,445)
Loans and advances	1,304,604	(795,613)
Security deposits and short term prepayments	(61,897)	(202,995)
Other receivables	126,768	292,104
	(2,445,487)	(3,845,800)
Increase in trade and other payables	166,410	1,817,029
	(2,279,077)	(2,028,771)

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 2019	31 March 2018	31 March 2019	31 March 2018
	.... (Rupees in thousand)			
Other related parties				
Group's contribution to employee's benefits	173,523	160,119	68,197	60,814
Remuneration paid to Chief Executive Officers, Directors and Executives	450,738	351,196	155,258	133,085

10. SEGMENT INFORMATION

10.1

	Spinning		Weaving		Processing and home textile		Cement		Investments		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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)															
REVENUE :																
EXTERNAL	8,007,617	6,622,451	2,945,604	2,625,104	4,582,566	3,919,964	18,197,055	19,269,833	-	-	-	-		-	33,732,842	32,437,352
INTER-SEGMENT	365,557	365,763	1,054,375	954,898	-	-	79,126	32,533	-	-	-	-	(1,499,058)	(1,353,194)	-	-
	8,373,174	6,988,214	3,999,979	3,580,002	4,582,566	3,919,964	18,276,181	19,302,366	-	-	-	-	(1,499,058)	(1,353,194)	33,732,842	32,437,352
COST OF SALES	(6,919,928)	(5,955,142)	(3,688,892)	(3,349,060)	(3,728,370)	(3,289,505)	(13,295,487)	(12,272,746)	-	-	-	-	1,499,058	1,353,194	(26,133,619)	(23,513,259)
GROSS PROFIT	1,453,246	1,033,072	311,087	230,942	854,196	630,459	4,980,694	7,029,620	-	-	-	-	-	-	7,599,223	8,924,093
DISTRIBUTION COST	(32,196)	(23,980)	(53,912)	(59,510)	(315,128)	(283,825)	(607,036)	(922,693)	-	-	-	-	-	-	(1,008,272)	(1,290,008)
ADMINISTRATIVE EXPENSES	(163,250)	(134,981)	(102,902)	(111,273)	(138,385)	(124,115)	(515,420)	(496,969)	(72,753)	(48,102)	(3,573)	(19,449)	-	-	(996,283)	(934,889)
	(195,446)	(158,961)	(156,814)	(170,783)	(453,513)	(407,940)	(1,122,456)	(1,419,662)	(72,753)	(48,102)	(3,573)	(19,449)	-	-	(2,004,555)	(2,224,897)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	1,257,800	874,111	154,273	60,159	400,683	222,519	3,858,238	5,609,958	(72,753)	(48,102)	(3,573)	(19,449)	-	-	5,594,668	6,699,196
UNALLOCATED INCOME AND EXPENSES																
FINANCE COST															(1,336,274)	(838,088)
OTHER EXPENSES															(332,826)	(571,229)
OTHER INCOME															510,108	405,556
TAXATION															(1,060,472)	(1,632,672)
															(2,219,464)	(2,636,433)
PROFIT AFTER TAXATION															3,375,204	4,062,763

10.2 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and home textile		Cement		Investments		Power		Group	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018	31 March 2019	30 June 2018
	(Rupees in thousand)													
TOTAL ASSETS FOR REPORTABLE SEGMENT	7,090,251	5,910,038	2,911,078	3,404,394	2,924,119	3,112,506	52,949,218	48,707,078	4,989,769	4,908,669	8,122,736	6,912,962	78,987,171	72,955,647
UNALLOCATED ASSETS													5,310,660	3,230,086
TOTAL ASSETS AS PER CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS													84,297,831	76,185,733

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,776,604	1,194,478	1,098,955	1,387,908	4,530,623	4,177,132	24,529,579	24,535,172	-	-	668,368	-	32,604,129	31,294,690
UNALLOCATED LIABILITIES													9,366,379	5,074,473
TOTAL LIABILITIES AS PER CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS													41,970,508	36,369,163

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.

As at 31 March 2019	Level 1	Level 2	Level 3	Total
	(........................ Rupees in thousand		........................)	
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	3,155,405	-	3,155,405
Investment in gold	525,720	-	-	525,720
Total non-financial assets	525,720	4,948,160	-	5,473,880

As at 30 June 2018	Level 1	Level 2	Level 3	Total
	(........................ Rupees in thousand		........................)	
Investment properties	-	1,792,755	-	1,792,755
Freehold land	-	3,155,405	-	3,155,405
Investment in gold	400,294	-	-	400,294
Total non-financial assets	400,294	4,948,160	-	5,348,454

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 at least annually and for its freehold land (classified as property, plant and equipment) at least every three years. 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 at the end of every financial year and for freehold land at least every three years.

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 2018.

14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 April 2019.

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 compareable period of immediately preceding financial year.

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

16. 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