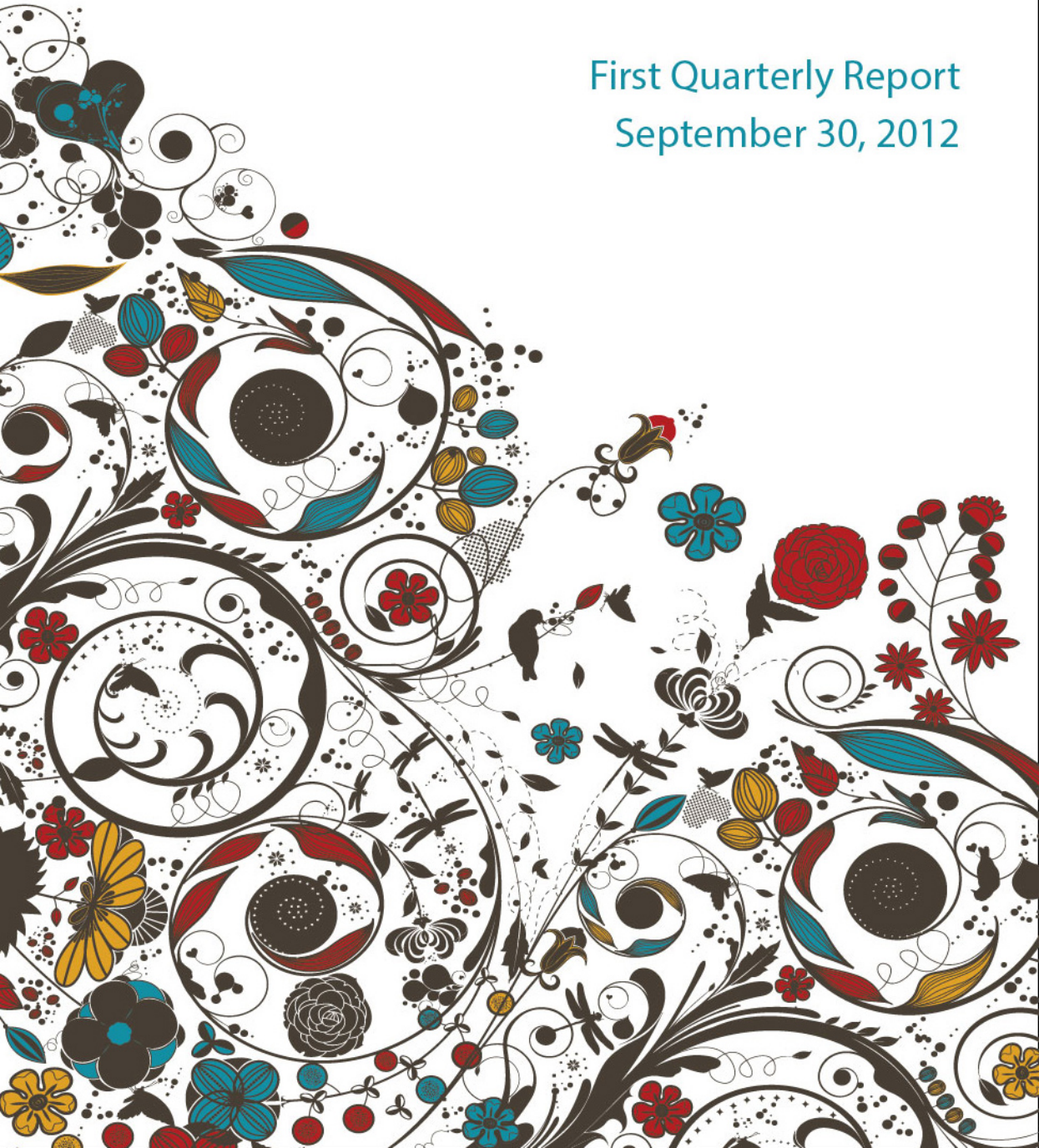


First Quarterly Report  
September 30, 2012



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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. ZAMIRUDDIN AZAR	
MR. ARIF IJAZ	
SYED MOHSIN RAZA NAQVI	

### AUDIT COMMITTEE

MR. ZAMIRUDDIN AZAR	CHAIRMAN
MR. ARIF IJAZ	MEMBER
MR. SAYEED TARIQ SAIGOL	MEMBER
MR. WALEED TARIQ SAIGOL	MEMBER

### HUMAN RESOURCE & REMUNERATION COMMITTEE

MR. ARIF IJAZ	CHAIRMAN
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. BILAL HUSSAIN

### AUDITORS

M/S. RIAZ AHMAD & COMPANY  
CHARTERED ACCOUNTANTS

### REGISTERED OFFICE

42-LAWRENCE ROAD, LAHORE.  
TEL: (92-042) 36302261-62  
FAX: (92-042) 36368721

### SHARE REGISTRAR

VISION CONSULTING LTD  
3-C, LDA FLATS,  
LAWRENCE ROAD, LAHORE.  
TEL: (92-042) 36375531-36375339  
FAX: (92-042) 36374839  
E-MAIL: shares@vcl.com.pk  
WEBSITE: www.vcl.com.pk

### BANKERS

AL BARAKA BANK (PAKISTAN) LIMITED  
ALLIED BANK LIMITED  
ASKARI BANK LIMITED  
BANK ALFALAH LIMITED  
BANK AL-HABIB LIMITED  
BURJ BANK LIMITED  
CITIBANK N.A.  
FAYSAL BANK LIMITED  
HSBC BANK MIDDLE EAST LIMITED  
MCB BANK LIMITED

MEEZAN BANK LIMITED  
NATIONAL BANK OF PAKISTAN  
NIB BANK LIMITED  
SAUDI PAK INDUSTRIAL & AGRICULTURAL  
INVESTMENT CO. LIMITED  
SILK BANK LIMITED  
STANDARD CHARTERED BANK (PAKISTAN) LIMITED  
THE BANK OF PUNJAB  
UNITED BANK LIMITED

### MILLS

- PESHAWAR ROAD, RAWALPINDI  
TEL: (92-051) 5473940-3 FAX: (92-051) 5471795
- 8TH K.M., MANGA RAIWIND ROAD, DISTRICT KASUR  
TEL: (92-042) 35394133-35 FAX: (92-042) 35394132
- GULYANA ROAD, GUJAR KHAN, DISTRICT RAWALPINDI  
TEL: (92-0513) 564472-74 FAX: (92-0513) 564337  
WEBSITE: www.kmlg.com

**Note:** KTM's financial statements are also available at the above website.

## Directors' Review

The Directors present unaudited accounts of the Company for the quarter ended September 30, 2012, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

### OPERATING AND FINANCIAL RESULTS

The Company recorded after-tax profit of Rs. 188 million compared to loss after tax of Rs. 45 million during the corresponding period last year showing an encouraging start to the year.

Sales turnover for the period amounted to Rs. 3,345 million, a substantial increase of 50.77% over the same period last year. The Company earned gross profit of Rs. 532 million (15.91%) relative to gross profit of Rs. 336 million (15.15%) during the same period last year. Operating profit for the period before adjustment for financial charges amounted to Rs. 393 million for the period, against Rs. 213 million during the previous corresponding period.

The quarter witnessed continued strong performance by the Company's Spinning divisions. The period saw a slight improvement with regard to regularity of supply, shortages and load-shedding of natural gas and electricity. However, upward trend in prices of natural gas, electricity and furnace oil continued unabated. As we move towards winter, there will likely be an increase in energy shortages in the coming months as government diverts supply away from industry to residential users. It is hoped as the season for lawns and voiles approaches, this should result in increase in demand for fine-count yarns, increasing profitability in the upcoming quarter. With regard to raw materials purchases, the Company has continued its policy of purchasing only for the short-term, and is currently covered for the next 3-4 months. Caution will be exercised in further purchasing of cotton as high world-ending stocks and arrival of a large new crop might create bearish conditions.

The Weaving division continues to operate at full capacity and as performed well. The home textiles market continues to be price sensitive due to global recession. While energy shortages and labour unrest have resulted in higher costs and lower efficiency in many competing textile-focused economies, it may be noted that Pakistan is experiencing fewer problems than elsewhere and this has resulted in surge in demand for greige fabric from weaving mills.

The Processing and Cut & Sew divisions have also faced difficulties as a result of the energy shortages but this notwithstanding, the division has performed better than it did over the same period last year. The Company continues to focus on higher thread counts and more quality-conscious customers. Efforts to reduce costs, increase yields and improve quality are being strenuously undertaken. We are experiencing increased demand from overseas customers in this sector which in our opinion is directly attributable to problems in competing economies.

The Company faces two large challenges in the upcoming months: managing energy shortages, as our alternative power sources are significantly more expensive; and purchasing cotton, as the combination of large world-ending stocks and arrival of the new crop may result in a bearish market.

### ACKNOWLEDGEMENTS

As always, the Company remains thankful to all its employees, partners, and stakeholders for their efforts and continued support.

For and on behalf of the Board



**Taufique Sayeed Saigol**  
Chief Executive

Lahore  
October 19, 2012



# Unconsolidated Condensed Interim Balance Sheet

As at 30 September 2012

Note	Un-audited 30 September 2012	Audited 30 June 2012
(Rupees in thousand)		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
370,000,000 (30 June 2012 : 370,000,000) ordinary shares of Rupees 10 each	<b>3,700,000</b>	3,700,000
30,000,000 (30 June 2012 : 30,000,000) preference shares of Rupees 10 each	<b>300,000</b>	300,000
	<b>4,000,000</b>	4,000,000
<b>Issued, subscribed and paid-up share capital</b>		
245,526,216 (30 June 2012 : 245,526,216) ordinary shares of Rupees 10 each	<b>2,455,262</b>	2,455,262
<b>Reserves</b>	<b>2,247,113</b>	2,059,475
<b>Total equity</b>	<b>4,702,375</b>	4,514,737
Surplus on revaluation of land and investment properties	<b>3,673,825</b>	3,673,825
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5 <b>360,891</b>	519,135
Liabilities against assets subject to finance lease	<b>8,602</b>	20,501
Deferred income tax liability	<b>140,175</b>	140,175
	<b>509,668</b>	679,811
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,271,905</b>	1,161,892
Accrued mark-up	<b>167,409</b>	185,698
Short term borrowings	<b>4,080,973</b>	4,364,111
Current portion of non-current liabilities	<b>630,690</b>	617,856
	<b>6,150,977</b>	6,329,557
<b>TOTAL LIABILITIES</b>	<b>6,660,645</b>	7,009,368
<b>CONTINGENCIES AND COMMITMENTS</b>		
	6	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,036,845</b>	15,197,930

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2012	Audited 30 June 2012
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,084,159	6,161,381
Intangible assets		5,464	6,284
Investment properties		1,728,886	1,728,886
Long term investments		3,248,680	3,248,680
Long term deposits		46,949	50,515
		<b>11,114,138</b>	11,195,746
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		325,708	320,486
Stock-in-trade		1,423,911	1,529,949
Trade debts		971,239	986,683
Advances		343,956	312,406
Security deposits and short term prepayments		29,968	25,909
Accrued interest		-	217
Other receivables		313,829	308,494
Short term investments		789	611
Taxation recoverable		131,120	131,926
Cash and bank balances		382,187	385,503
		3,922,707	4,002,184
<b>TOTAL ASSETS</b>		<b>15,036,845</b>	15,197,930


  
 DIRECTOR



## Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited) For the quarter ended 30 September 2012

	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>(Rupees in thousand)</b>	
SALES	<b>3,344,657</b>	2,218,312
COST OF SALES	<b>(2,812,482)</b>	(1,882,277)
GROSS PROFIT	<b>532,175</b>	336,035
DISTRIBUTION COST	<b>(96,733)</b>	(97,451)
ADMINISTRATIVE EXPENSES	<b>(55,193)</b>	(45,493)
OTHER OPERATING EXPENSES	<b>(231)</b>	(234)
	<b>(152,157)</b>	(143,178)
OTHER OPERATING INCOME	<b>380,018</b>	192,857
	<b>12,947</b>	19,865
PROFIT FROM OPERATIONS	<b>392,965</b>	212,722
FINANCE COST	<b>(185,975)</b>	(235,026)
PROFIT / (LOSS) BEFORE TAXATION	<b>206,990</b>	(22,304)
TAXATION	<b>(19,352)</b>	(22,213)
PROFIT / (LOSS) AFTER TAXATION	<b>187,638</b>	(44,517)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	<b>0.76</b>	(0.18)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended 30 September 2012

	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>(Rupees in thousand)</b>	
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>187,638</b>	(44,517)
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>187,638</b>	(44,517)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR





# Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited) For the quarter ended 30 September 2012

	Note	30 September 2012 (Rupees in thousand)	30 September 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	<b>654,970</b>	564,496
Finance cost paid		<b>(204,264)</b>	(199,310)
Income tax paid		<b>(18,546)</b>	(18,848)
Worker's Profit Participation Fund paid		-	(63)
Net decrease / (increase) in long term deposits		<b>3,566</b>	(1,482)
<b>Net cash generated from operating activities</b>		<b>435,726</b>	344,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		<b>(6,107)</b>	(49,447)
Interest received		<b>7,512</b>	4,099
Proceeds from sale of property, plant and equipment		-	249
Proceeds from disposal of investments		-	544,076
<b>Net cash from investing activities</b>		<b>1,405</b>	498,977
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		<b>(283,138)</b>	(1,039,151)
Repayment of long term financing		<b>(145,647)</b>	(108,525)
Repayment of liabilities against assets subject to finance lease		<b>(11,662)</b>	(5,173)
<b>Net cash used in financing activities</b>		<b>(440,447)</b>	(1,152,849)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,316)</b>	(309,079)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>385,503</b>	420,996
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>382,187</b>	111,917

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

# Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the quarter ended 30 September 2012

	Reserves						Total Equity
	Capital Reserves		Revenue Reserves			Total	
	Share Premium	Sub Total	General Reserve	Unappropriated profit/ (accumulated loss)	Sub Total		
<b>Balance as at 30 June 2011 - (Audited)</b>	144,919	144,919	1,450,491	335,964	1,786,455	1,931,374	4,386,636
Total comprehensive loss for the quarter ended 30 September 2011	-	-	-	(44,517)	(44,517)	(44,517)	(44,517)
<b>Balance as at 30 September 2011 - (Un-audited)</b>	144,919	144,919	1,450,491	291,447	1,741,938	1,886,857	4,342,119
Surplus on revaluation realised on disposal of land	-	-	-	11,672	11,672	11,672	11,672
Total comprehensive income for the period ended 30 June 2012	-	-	-	160,946	160,946	160,946	160,946
<b>Balance as at 30 June 2012 - (Audited)</b>	144,919	144,919	1,450,491	464,065	1,914,556	2,059,475	4,514,737
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	187,638	187,638	187,638	187,638
<b>Balance as at 30 September 2012 - (Un-audited)</b>	<b>144,919</b>	<b>144,919</b>	<b>1,450,491</b>	<b>651,703</b>	<b>2,102,194</b>	<b>2,247,113</b>	<b>4,702,375</b>

(Rupees in thousand)

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



# Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-Audited)

For the quarter ended 30 September 2012

## 1. THE COMPANY AND ITS OPERATIONS

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. 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

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the quarter ended 30 September 2012 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2012.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this unconsolidated condensed interim financial information 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 2012.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated 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 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 this unconsolidated condensed interim financial information, 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 2012.

	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	<b>1,101,403</b>	1,875,947
Less: Repayments during the period / year	<b>140,853</b>	774,544
	<b>960,550</b>	1,101,403
Less: Current portion shown under current liabilities	<b>599,659</b>	587,062
	<b>360,891</b>	514,341
<b>Unsecured</b>	<b>-</b>	4,794
	<b>360,891</b>	519,135

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

### 6.2 Commitments

Commitments in respect of letters of credit other than for capital expenditure are Rupees 96.610 million (30 June 2012: Rupees 185.585 million).

	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 7.1)	<b>5,937,331</b>	6,008,509
Leased (Note 7.2)	<b>140,960</b>	144,287
Capital work-in-progress (Note 7.3)	<b>5,868</b>	8,585
	<b>6,084,159</b>	6,161,381
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	<b>6,008,509</b>	6,578,979
Add : Cost of additions during the period / year (Note 7.1.1)	<b>8,824</b>	166,471
Add: Transferred from leased assets (Note 7.2.1)	<b>-</b>	8,195
	<b>6,017,333</b>	6,753,645
Less : Book value of deletions during the period / year (Note 7.1.2)	<b>-</b>	412,373
	<b>6,017,333</b>	6,341,272
Less : Depreciation charged during the period / year	<b>80,002</b>	332,763
Closing book value	<b>5,937,331</b>	6,008,509



	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>7.1.1 Cost of additions</b>		
Buildings	<b>227</b>	4,392
Plant and machinery	<b>7,782</b>	138,351
Service and other equipment	-	11,687
Computers	<b>628</b>	2,408
Furniture and fixture	<b>43</b>	215
Office equipment	<b>144</b>	1,698
Vehicles	-	7,720
	<b>8,824</b>	166,471
<b>7.1.2 Book value of deletions</b>		
Freehold land	-	411,345
Plant and machinery	-	194
Computer and IT installations	-	229
Furniture and fixture	-	17
Office equipment	-	30
Vehicles	-	558
	-	412,373
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	<b>144,287</b>	166,964
Less : Transferred to owned assets (Note 7.2.1)	-	8,195
	<b>144,287</b>	158,769
Less : Depreciation charged during the period / year	<b>3,327</b>	14,482
Closing book value	<b>140,960</b>	144,287
<b>7.2.1 Book value of deletions / transfers</b>		
Plant and machinery	-	8,195
Vehicles	-	-
	-	8,195
<b>7.3 Capital work-in-progress</b>		
Plant and machinery	<b>5,868</b>	8,585
	<b>5,868</b>	8,585

	Un-audited 30 September 2012 (Rupees in thousand)	Un-audited 30 September 2011
<b>8. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>206,990</b>	(22,304)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>83,329</b>	90,737
Amortization	<b>820</b>	820
Finance cost	<b>185,975</b>	234,366
Gain on sale of property, plant and equipment	-	(12)
Gain on sale of investments	-	(6,399)
Loss / (gain) on remeasurement of investment at fair value through profit or loss	<b>(178)</b>	14
Return on bank deposits	<b>(7,295)</b>	(4,053)
Working capital changes (Note 9.1)	<b>185,329</b>	271,327
	<b>654,970</b>	564,496
<b>8.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	<b>(5,222)</b>	(2,501)
Stock-in-trade	<b>106,038</b>	287,785
Trade debts	<b>15,444</b>	(313,960)
Advances	<b>(31,550)</b>	(229,181)
Security deposits and short term prepayments	<b>(4,059)</b>	(11,436)
Other receivables	<b>(5,335)</b>	1,171
	<b>75,316</b>	(268,122)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	<b>110,013</b>	539,449
	<b>185,329</b>	271,327



9. SEGMENT INFORMATION

9.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Total - Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
Quarter ended	30 Sep 12	30 Sep 11	30 Sep 12	30 Sep 11	30 Sep 12	30 Sep 11	30 Sep 12	30 Sep 11	30 Sep 12	30 Sep 11
SALES - EXTERNAL INTER SEGMENT	1,377,804	562,031	719,893	682,632	1,246,960	973,649	-	-	3,344,657	2,218,312
	131,940	238,309	174,365	367,159	-	-	(306,305)	(605,468)	3,344,657	2,218,312
COST OF SALES	1,509,744	800,340	894,258	1,049,791	1,346,960	973,649	(306,305)	(605,468)	(2,812,482)	(1,882,277)
	(1,263,494)	(747,768)	(798,518)	(911,924)	(1,056,775)	(828,053)	306,305	605,468	(2,812,482)	(1,882,277)
GROSS PROFIT	246,250	52,572	95,740	137,867	190,185	145,596	-	-	532,175	336,035
DISTRIBUTION COST	(2,943)	(1,875)	(20,629)	(26,461)	(73,161)	(69,115)	-	-	(96,733)	(97,451)
ADMINISTRATIVE EXPENSES	(16,246)	(5,971)	(19,636)	(17,995)	(19,311)	(21,527)	-	-	(55,193)	(45,493)
PROFIT/(LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(19,189)	(7,846)	(40,265)	(44,456)	(92,472)	(90,642)	-	-	(151,926)	(142,944)
UNALLOCATED INCOME AND EXPENSES	227,061	44,726	55,475	93,411	97,713	54,954	-	-	380,249	193,091
FINANCE COST									(185,975)	(235,026)
OTHER OPERATING EXPENSES									(231)	(234)
OTHER OPERATING INCOME									12,947	19,865
TAXATION									(19,352)	(22,213)
PROFIT AFTER TAXATION									(192,611)	(237,608)
Reconciliation of reportable segment assets									187,638	(44,517)

9.2

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Quarter ended	30 Sep 12	30 June 12	30 Sep 12	30 June 12	30 Sep 12	30 June 12	30 Sep 12	30 June 12
TOTAL ASSETS FOR REPORTABLE SEGMENTS	2,854,883	3,130,758	2,268,340	2,289,887	2,122,698	2,303,430	7,245,921	7,724,075
UNALLOCATED ASSETS							7,790,924	7,473,855
TOTAL ASSETS AS PER BALANCE SHEET							15,036,845	15,197,930
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	887,593	1,040,800	1,359,012	1,428,051	2,995,613	3,090,847	5,240,218	5,559,698
UNALLOCATED LIABILITIES							1,420,427	1,449,670
TOTAL LIABILITIES AS PER BALANCE SHEET							6,660,645	7,009,368

## 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of a subsidiary company, associated undertakings, key management personnel and provident fund trust. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in this unconsolidated condensed interim financial information are as follows:

	Un-audited 30 September 2012 (Rupees in thousand)	Un-audited 30 September 2011
<b>Subsidiary company</b>		
Purchase of goods and services	127	62
<b>Other related parties</b>		
Company's contribution to provident fund trust	6,736	6,238
Remuneration of Chief Executive Officer, Directors and Executives	26,689	26,655

## 11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

## 12. AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on October 19, 2012.

## 13. CORRESPONDING FIGURES

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

## 14. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR





**KOHINOOR TEXTILE MILLS LIMITED  
CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION**



**FOR THE QUARTER ENDED  
30 SEPTEMBER 2012**



## Directors' Review

The Directors are pleased to present their report together with the un-audited Group results of Kohinoor Textile Mills Limited and its subsidiary, Maple Leaf Cement Factory Limited for the quarter ended September 30, 2012. Kohinoor Textile Mills Limited (Holding Company) holds 64.50% shares of Maple Leaf Cement Factory Limited (Subsidiary Company).

The Group recorded after-tax profit of Rupees 635.398 million as compared Rupees 636.522 million during the corresponding period. The consolidated profit of the Holding Company and its share in its Subsidiary for the period is Rupees 468.070 million as compared to Rupees 574.724 million for the corresponding period.

The Subsidiary earned after-tax profit of Rupees 384.409 million as compared to after-tax loss of Rupees 228.279 million for the corresponding period

For and on behalf of the Board



**Taufique Sayeed Saigol**  
Chief Executive

Lahore  
October 19, 2012



# Consolidated Condensed Interim Balance Sheet

As at 30 September 2012

Note	Un-audited 30 September 2012	Audited 30 June 2012
(Rupees in thousand)		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
370,000,000 (30 June 2012 : 370,000,000)	<b>3,700,000</b>	3,700,000
30,000,000 (30 June 2012 : 30,000,000) preference shares of Rupees 10 each	<b>300,000</b>	300,000
	<b>4,000,000</b>	4,000,000
Issued, subscribed and paid up share capital 245,526,216 (30 June 2012: 245,526,216) ordinary shares of Rupees 10 each.	<b>2,455,262</b>	2,455,262
<b>Reserves</b>	<b>1,951,101</b>	1,483,031
<b>Equity attributable to equity holders of the Holding Company</b>	<b>4,406,363</b>	3,938,293
<b>Non-controlling interest</b>	<b>1,502,716</b>	1,335,388
<b>Total equity</b>	<b>5,909,079</b>	5,273,681
<b>Surplus on revaluation of land and investment properties and investment properties</b>	<b>4,044,540</b>	4,044,540
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5 <b>3,699,990</b>	4,023,234
Redeemable capital	<b>6,983,000</b>	7,183,000
Liabilities against assets subject to finance lease	<b>238,405</b>	263,126
Long term deposits	<b>6,419</b>	6,219
Retirement benefits	<b>52,585</b>	50,926
Deferred income tax liability	<b>140,175</b>	140,175
	<b>11,120,574</b>	11,666,680
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>4,710,164</b>	4,579,005
Accrued mark-up	<b>888,123</b>	943,532
Short term borrowings	<b>7,317,276</b>	7,613,495
Current portion of non-current liabilities	<b>3,434,834</b>	3,487,820
	<b>16,350,397</b>	16,623,852
<b>TOTAL LIABILITIES</b>	<b>27,470,971</b>	28,290,532
<b>CONTINGENCIES AND COMMITMENTS</b>	6 -	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,424,590</b>	37,608,753

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2012	Audited 30 June 2012
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<b>25,654,261</b>	25,998,384
Intangible assets		<b>12,266</b>	15,081
Investment properties		<b>1,728,886</b>	1,728,886
Long term Investments		<b>3,037</b>	3037
Long term loans to employees		<b>2,000</b>	2,387
Long term deposits		<b>100,347</b>	103,865
		<b>27,500,797</b>	27,851,640
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		<b>3,641,953</b>	3,422,429
Stock -in- trade		<b>2,333,345</b>	2,433,344
Trade debts		<b>1,463,420</b>	1,562,614
Loans and advances		<b>665,042</b>	493,574
Security deposits and short term prepayments		<b>145,073</b>	144,562
Accrued interest		<b>275</b>	1,408
Due from subsidiary company			
Other receivables		<b>385,507</b>	373,246
Short term investments		<b>31,514</b>	33,733
Taxation recoverable		<b>465,819</b>	443,474
Cash and bank balances		<b>791,845</b>	848,729
		<b>9,923,793</b>	9,757,113
<b>TOTAL ASSETS</b>		<b>37,424,590</b>	37,608,753


  
DIRECTOR



## Consolidated Condensed Interim Profit and Loss Account (Un-Audited) For the quarter ended 30 September 2012

	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>(Rupees in thousand)</b>	
SALES	<b>7,152,336</b>	5,574,426
COST OF SALES	<b>(5,404,073)</b>	(4,568,619)
GROSS PROFIT	<b>1,748,263</b>	1,005,807
DISTRIBUTION COST	<b>(282,907)</b>	(334,481)
ADMINISTRATIVE EXPENSES	<b>(108,357)</b>	(91,919)
OTHER OPERATING EXPENSES	<b>(951)</b>	(10,668)
	<b>(392,215)</b>	(437,068)
OTHER OPERATING INCOME	<b>1,356,048</b>	568,739
	<b>13,424</b>	943,338
PROFIT FROM OPERATIONS	<b>1,369,472</b>	1,512,077
FINANCE COST	<b>(695,559)</b>	(845,357)
PROFIT BEFORE TAXATION	<b>673,913</b>	666,720
TAXATION	<b>(38,515)</b>	(30,198)
- Current		
- Deferred		
PROFIT AFTER TAXATION	<b>635,398</b>	636,522
SHARE OF PROFIT ATTRIBUTABLE TO :		
EQUITY HOLDERS OF HOLDING COMPANY	<b>468,070</b>	574,724
NON CONTROLLING INTEREST		
DIVIDEND ON PREFERENCE SHARES	<b>12,982</b>	13,180
SHARE IN PROFIT FOR THE PERIOD	<b>154,346</b>	48,618
	<b>167,328</b>	61,798
PROFIT AFTER TAXATION AND NON CONTROLLING INTEREST	<b>635,398</b>	636,522
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	<b>2.59</b>	2.59

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended 30 September 2012

	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>(Rupees in thousand)</b>	
<b>PROFIT AFTER TAXATION</b>	<b>635,398</b>	636,522
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>		
Reclassification adjustment for gain/ loss included in profit and loss	-	(670,674)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>635,398</b>	(34,152)
<b>Share of total comprehensive income/ (loss) attributable to :</b>		
Equity holders of Holding Company	<b>468,070</b>	50,797
Non-controlling interest	<b>167,328</b>	(84,949)
	<b>635,398</b>	(34,152)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR





# Consolidated Condensed Interim Cash Flow Statement (Un-Audited) For the quarter ended 30 September 2012

	Note	30 September 2012	30 September 2011
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	<b>1,704,598</b>	521,103
Finance cost paid		<b>(750,051)</b>	(528,537)
Workers' Profit Participation Fund paid		-	(63)
Compensated absences paid		<b>(3,589)</b>	(916)
Income tax paid		<b>(60,858)</b>	(43,593)
Net increase in long term deposits		<b>3,766</b>	(643)
<b>Net cash generated from / (used in) operating activities</b>		<b>893,866</b>	(52,649)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		<b>(59,412)</b>	(170,263)
Long term loans to employees		<b>387</b>	-
Interest received		<b>10,778</b>	4,754
Proceeds from sale of property, plant and equipment		-	249
Proceeds from disposal of investments		-	932,759
<b>Net cash generated from / (used in) investing activities</b>		<b>(48,247)</b>	767,499
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings (net)		<b>(296,218)</b>	(1,020,164)
Repayment of long term financing - secured		<b>(327,628)</b>	(173,270)
Repayment of redeemable capital		<b>(253,106)</b>	(1,700)
Repayment of liabilities against assets subject to finance lease		<b>(25,551)</b>	(4,662)
<b>Net cash used in financing activities</b>		<b>(902,503)</b>	(1,199,796)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(56,884)</b>	(484,946)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>848,729</b>	709,476
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>791,845</b>	224,530

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

# Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the quarter ended 30 September 2012

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										Non Controlling Interest	Total Equity	
	Reserves												
	Share Capital	Capital Reserves		Revenue Reserves			Total	Total Reserves	Total	Non Controlling Interest			Total Equity
		Share Premium	Fair Value reserve	Sub Total	General Reserve	Unappropriated profit/							
Balance as at 30 June 2011 - (Audited)	2,455,262	144,919	523,927	668,846	1,450,491	(1,459,647)	(9,156)	659,690	3,114,952	1,046,234	4,161,186		
Profit for the year	-	-	-	-	-	574,724	574,724	574,724	574,724	61,800	636,524		
Other comprehensive income for the period ended 30 September 2011	-	-	(523,927)	(523,927)	-	-	-	(523,927)	(523,927)	(146,749)	(670,676)		
Total comprehensive income for the period ended 30 September 2011	-	-	(523,927)	(523,927)	-	574,724	574,724	50,797	50,797	(84,949)	(34,152)		
Balance as at 30 September 2011	2,455,262	144,919	-	144,919	1,450,491	(884,923)	565,568	710,487	3,165,749	961,285	4,127,034		
Surplus on revaluation realised on disposal of land	-	-	-	-	-	11,672	11,672	11,672	11,672	-	11,672		
Decreases in interest of equity holders of the Holding Company	-	-	-	-	-	(3,144)	(3,144)	(3,144)	(3,144)	3,144	-		
Total comprehensive income for the period ended 30 June 2012	-	-	-	-	-	764,016	764,016	764,016	764,016	370,959	1,134,975		
Balance as at 30 June 2012 - (Audited)	2,455,262	144,919	-	144,919	1,450,491	(112,379)	1,338,112	1,483,031	3,938,293	1,335,388	5,273,681		
Total comprehensive income/(loss) for the quarter ended 30 September 2012	-	-	-	-	-	468,070	468,070	468,070	468,070	167,328	635,398		
<b>Balance as at 30 September 2012</b>	<b>2,455,262</b>	<b>144,919</b>	<b>-</b>	<b>144,919</b>	<b>1,450,491</b>	<b>355,691</b>	<b>1,806,182</b>	<b>1,951,101</b>	<b>4,406,363</b>	<b>1,502,716</b>	<b>5,909,079</b>		

(Rupees in thousand)

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



# Selected Notes to the Consolidated Condensed Interim Financial Information (Un-Audited) For the quarter ended 30 September 2012

## 1. THE COMPANY 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 Ordinance, 1984) and listed on all Stock Exchanges of Pakistan. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The Holding Company holds 64.50% (2012: 64.50%) shares of Maple Leaf Cement Factory Limited. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

### 1.2 Subsidiary Company

Maple Leaf Cement Factory Limited ("the Subsidiary") was incorporated in Pakistan on 13 April, 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares and was listed on stock exchanges 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.

## 2. BASIS OF PREPARATION

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2012.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the preceding annual published financial statements of the Group for the year ended 30 June 2012.

## 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 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 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 company for the year ended 30 June 2012.

	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	<b>5,502,187</b>	6,379,805
Less: Repayments during the period/ year	<b>322,834</b>	877,618
	<b>5,179,353</b>	5,502,187
Less: Current portion shown under current liabilities	<b>1,479,363</b>	1,483,747
	<b>3,699,990</b>	4,018,440
<b>Unsecured</b>		
	<b>-</b>	4,794
	<b>3,699,990</b>	4,023,234

## 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 2012 except for guarantees issued by banks in respect of financial and operational obligations of the Group amounting to Rupees 665.048 million (30 June 2012: Rupees 657.258 million).

### 6.2 Commitments

Commitments in respect of:

- (i) Contracts for capital expenditure are Rupees 174.087 million (30 June 2012 : Rupees 117.805 million)
- (ii) Letters of credit other than for capital expenditure amount to Rupees 170.722 million (30 June 2012: Rupees 265.433 million).

	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 7.1)	<b>24,673,806</b>	25,029,089
Leased (Note 7.2)	<b>893,676</b>	899,781
Capital work-in-progress (Note 7.3)	<b>86,779</b>	69,514
	<b>25,654,261</b>	25,998,384
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	<b>25,029,089</b>	30,192,678
Add : Cost of additions during the period / year (Note 7.1.1)	<b>42,147</b>	4,106,922
Add : Transferred from leased assets (Note 7.2.1)	<b>-</b>	8,195
Less : Reversal of revaluation surplus during the year	<b>-</b>	7,291,505
	<b>25,071,236</b>	27,016,290
Less : Book value of deletions during the period / year (7.1.2)	<b>-</b>	413,169
	<b>25,071,236</b>	26,603,121
Less : Depreciation charged during the period / year	<b>397,430</b>	1,574,032
Closing book value	<b>24,673,806</b>	25,029,089



	Un-audited 30 September 2012 (Rupees in thousand)	Audited 30 June 2012
<b>7.1.1 Cost of additions</b>		
Land	-	-
Buildings	577	431,732
Plant and machinery	37,747	3,623,828
Service and other equipment	-	11,687
Computer and IT installations	628	2,394
Furniture and fixture	2,819	8,843
Office equipment	145	1,698
Vehicles	231	17,923
Quarry equipment	-	8,817
	<b>42,147</b>	4,106,922
<b>7.1.2 Book value of deletions</b>		
Freehold land	-	411,345
Plant and machinery	-	194
Computer and IT installations	-	215
Furniture and fixture	-	31
Office equipment	-	30
Vehicles	-	1,354
	-	413,169
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	899,781	962,220
Less : Transferred to owned assets (Note 7.2.1)	-	8,195
	<b>899,781</b>	954,025
Less : Depreciation charged during the period / year	6,105	54,244
	<b>893,676</b>	899,781
<b>7.2.1 Book value of deletions/ transfers</b>		
Plant and machinery	-	8,195
Vehicles	-	-
	-	8,195
<b>7.3 Capital work-in-progress</b>		
Civil works and buildings	-	-
Plant and machinery	44,235	33,880
Computer software and consultancy cost	-	-
Un-allocated capital expenditure	1,001	1,001
Advances to suppliers against:		
- purchase of land	2,000	2,000
- civil works	2,093	3,842
- Furniture and fixture	21,180	17,855
- plant and machinery	9,257	9,237
- vehicles	7,013	1,699
	<b>86,779</b>	69,514

	Un-audited 30 September 2012 (Rupees in thousand)	Un-audited 30 September 2011
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit / (loss) before taxation	673,913	666,720
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	403,535	487,316
Amortization of intangible assets	2,815	2,286
Finance cost	699,970	844,697
Provision for doubtful debts	2,550	-
Employees' compensated absences	5,247	1,892
Gain on sale of property, plant and equipment	-	(12)
Gain on remeasurement of investment	(178)	14
Gain on sale of investment	-	(920,359)
Return on bank deposits	(7,295)	(3,981)
Provision for Worker's Profit Participation Fund	-	
Provision for Worker's Welfare Fund	-	
Working capital changes (Note 8.1)	(75,959)	(557,470)
	<b>1,704,598</b>	521,103
<b>8.1 Working capital changes</b>		
<b>(Increase)/ decrease in current assets</b>		
Stores, spare parts and loose tools	(219,524)	266,308
Stock-in-trade	99,999	254,736
Trade debts	96,644	(378,046)
Loans and advances	(171,467)	(244,725)
Security deposits and short term prepayments	(512)	(6,520)
Other receivables	11,788	60,198
	(183,072)	(48,049)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	107,113	(509,421)
	(75,959)	(557,470)



## 10. 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:

	<b>Un-audited 30 September 2012 (Rupees in thousand)</b>	<b>Un-audited 30 September 2011</b>
<b>Other related parties</b>		
Company's contribution to provident fund trust	<b>6,736</b>	6,238
Remuneration of Chief Executive Officer, Directors and Executives	<b>50,864</b>	48,640

## 11. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2012.

## 12. AUTHORIZATION

This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Company on 19 October 2012.

## 13. CORRESPONDING FIGURES

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

## 14. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR





**Kohinoor Textile Mills Limited**  
Registered Office:  
42-Lawrence Road,  
Lahore-Pakistan  
T: +92-42-3630 2261, 3630 2262  
F: +92-42-3636 8721  
[www.kmlg.com](http://www.kmlg.com)

