

**KTM**

**Kohinoor Textile Mills Limited**

A Kohinoor Maple Leaf Group Company



*Half Yearly Report*  
*December 31, 2011*



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## Company Information

### BOARD OF DIRECTORS

MR. TARIQ SAYEED SAIGOL  
 MR. TAUFIQUE SAYEED SAIGOL  
 MR. SAYEED TARIQ SAIGOL  
 MR. WALEED TARIQ SAIGOL  
 MR. DANIAL TAUFIQUE SAIGOL  
 MR. ZAMIRUDDIN AZAR  
 MR. ARIF IJAZ  
 SYED MOHSIN RAZA NAQVI

CHAIRMAN  
 CHIEF EXECUTIVE OFFICER

### AUDIT COMMITTEE

MR. ZAMIRUDDIN AZAR  
 MR. SAYEED TARIQ SAIGOL  
 MR. WALEED TARIQ SAIGOL  
 MR. DANIAL TAUFIQUE SAIGOL  
 MR. ARIF IJAZ

CHAIRMAN  
 MEMBER  
 MEMBER  
 MEMBER  
 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 LTD  
 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. LTD.  
 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  
 WEB SITE: www.kmgl.com

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



# Directors' Review

The Directors present un-audited accounts of the Company for the half year ended December 31, 2011, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

## OPERATING AND FINANCIAL RESULTS

The Company recorded after-tax loss of Rs.64.074 million, as compared to after-tax profit of Rs.57.221 million during the corresponding period last year.

Total turnover for the period amounted to Rs.5,097.696 million, a substantial decrease of 20.80% over the same period last year, due to lower cotton prices this year and consequently reduced selling rates. The Company earned gross profit of Rs.745.139 million (14.62%), relative to gross profit of Rs.995.905 million (15.47%) during the same period last year. Operating profit before adjustment for financial charges amounted to Rs.483.852 million for the period under review, as against Rs.641.281 million during the previous corresponding period.

The period under review has been marked by severe energy shortages which resulted in curtailment of supply of both natural gas and electricity. Under utilization of production capacity has led to losses in most segments of the business.

Despite the large costs incurred in operating spinning plants on power generated by Heavy Fuel Oil (HFO), this segment has performed reasonably well. We hold an optimistic outlook on the coming months, as warmer weather conditions will hopefully result in more consistent supply of natural gas. This factor will lead to greater levels of utilization and a significant reduction in costs. Due to considerable reduction in raw material prices relative to last year, the economics of the spinning business have improved and operating margins at current cotton prices are returning to normal levels. The Company continues to take a conservative approach in the purchasing of raw cotton.

Though the weaving segment is operating at full capacity, future outlook for the home textiles sector as a whole is less favorable. The sector faces continuing difficulties due to the recession in Europe and North America and continuing increases in the cost of utilities. These factors have had a negative impact on the financial results. The Company is undertaking a renewed effort to reduce costs in order to combat the inflationary trend in input prices.

Processing and Cut & Sew operations have also suffered due to acute shortage of energy and further impacted by substantial increases in the prices of HFO and Liquid Petroleum Gas (LPG). The combined effect has led to a significant increase in costs. We remain optimistic that energy shortages will reduce as the weather improves. The Company continues to pursue its policy of taking on orders which yield positive contribution to gross margins and this has had a stabilizing effect on the financial results of this segment. We remain confident that our continued dedication to cost reduction measures, as well as lower expected yarn and cotton prices, will result in improved performance over the remaining part of the year.

## 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 Officer

Lahore  
February 23, 2012

# Auditors' Report to the Members on Review of Unconsolidated Condensed Interim Financial Information



## Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of KOHINOOR TEXTILE MILLS LIMITED as at 31 December 2011 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 31 December 2010 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2011.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 December 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Name of engagement partner:**  
Atif Bin Arshad

**Date:** February 23, 2012

**ISLAMABAD**



# Unconsolidated Condensed Interim Balance Sheet

## As at 31 December 2011

Note	Un-audited 31 December 2011	Audited 30 June 2011
(Rupees in thousand)		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
370,000,000 (30 June 2011 : 370,000,000) ordinary shares of Rupees 10 each	3,700,000	3,700,000
30,000,000 (30 June 2011 : 30,000,000) preference shares of Rupees 10 each	300,000	300,000
	<b>4,000,000</b>	<b>4,000,000</b>
<b>Issued, subscribed and paid-up share capital</b>		
245,526,216 (30 June 2011 : 245,526,216) ordinary shares of Rupees 10 each	2,455,262	2,455,262
<b>Reserves</b>	<b>1,867,300</b>	<b>1,931,374</b>
<b>Total equity</b>	<b>4,322,562</b>	<b>4,386,636</b>
Surplus on revaluation of land and investment properties	3,685,497	3,685,497
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	976,717	1,318,710
Liabilities against assets subject to finance lease	20,402	42,843
Deferred income tax liability	96,484	62,141
	<b>1,093,603</b>	<b>1,423,694</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,000,121	834,691
Due to subsidiary company	181,896	-
Accrued mark-up	163,363	230,138
Short term borrowings	4,063,280	5,130,265
Current portion of non-current liabilities	681,229	611,744
	<b>6,089,889</b>	<b>6,806,838</b>
<b>TOTAL LIABILITIES</b>	<b>7,183,492</b>	<b>8,230,532</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	6	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,191,551</b>	<b>16,302,665</b>

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER



	Note	Un-audited 31 December 2011	Audited 30 June 2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<b>6,648,467</b>	6,747,691
Intangible assets		<b>7,924</b>	9,563
Investment properties		<b>1,721,714</b>	1,721,714
Long term investments	8	<b>3,248,680</b>	3,248,880
Long term deposits		<b>40,444</b>	35,758
		<b>11,667,229</b>	11,763,606
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		<b>335,666</b>	328,393
Stock-in-trade		<b>1,273,291</b>	1,657,252
Trade debts		<b>767,168</b>	707,400
Advances		<b>294,910</b>	241,331
Security deposits and short term prepayments		<b>26,532</b>	19,045
Accrued interest		<b>57</b>	46
Due from subsidiary companies		-	601,144
Other receivables		<b>309,954</b>	432,943
Short term investments		<b>543</b>	600
Taxation recoverable		<b>132,813</b>	129,909
Cash and bank balances		<b>383,388</b>	420,996
		<b>3,524,322</b>	4,539,059
<b>TOTAL ASSETS</b>		<b>15,191,551</b>	<b>16,302,665</b>



DIRECTOR





# Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited) For the half year ended 31 December 2011

	Half year ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
..... (Rupees in thousand) .....				
SALES	<b>5,097,696</b>	6,436,428	<b>2,879,384</b>	3,173,064
COST OF SALES	<b>(4,352,557)</b>	(5,440,523)	<b>(2,470,280)</b>	(2,663,238)
GROSS PROFIT	<b>745,139</b>	995,905	<b>409,104</b>	509,826
DISTRIBUTION COST	<b>(197,621)</b>	(234,840)	<b>(100,170)</b>	(115,758)
ADMINISTRATIVE EXPENSES	<b>(96,351)</b>	(107,583)	<b>(50,858)</b>	(59,571)
OTHER OPERATING EXPENSES	<b>(1,590)</b>	(44,246)	<b>(1,356)</b>	(36,666)
	<b>(295,562)</b>	(386,669)	<b>(152,384)</b>	(211,995)
OTHER OPERATING INCOME	<b>449,577</b>	609,236	<b>256,720</b>	297,831
	<b>34,275</b>	32,045	<b>14,410</b>	10,933
PROFIT FROM OPERATIONS	<b>483,852</b>	641,281	<b>271,130</b>	308,764
FINANCE COST	<b>(462,579)</b>	(513,059)	<b>(227,553)</b>	(269,286)
PROFIT BEFORE TAXATION	<b>21,273</b>	128,222	<b>43,577</b>	39,478
TAXATION				
- Current	<b>(51,004)</b>	(54,370)	<b>(28,791)</b>	(27,508)
- Deferred	<b>(34,343)</b>	(16,631)	<b>(34,343)</b>	(16,631)
	<b>(85,347)</b>	(71,001)	<b>(63,134)</b>	(44,139)
(LOSS) / PROFIT AFTER TAXATION	<b>(64,074)</b>	57,221	<b>(19,557)</b>	(4,661)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	<b>(0.26)</b>	0.29	<b>(0.08)</b>	(0.02)

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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

For the half year ended 31 December 2011



	Half year ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	..... (Rupees in thousand) .....			
(LOSS) / PROFIT AFTER TAXATION	<b>(64,074)</b>	57,221	<b>(19,557)</b>	(4,661)
OTHER COMPREHENSIVE INCOME				
Surplus on remeasurement of available for sale investment	-	200,723	-	152,174
Deferred income tax on remeasurement of available for sale investment	-	(52,690)	-	(39,946)
Other comprehensive income for the period - net of tax	-	148,033	-	112,228
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(64,074)</b>	205,254	<b>(19,557)</b>	107,567

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

Lahore  
February 23, 2012



CHIEF EXECUTIVE OFFICER



DIRECTOR



# Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited) For the half year ended 31 December 2011

	Note	31 December 2011	31 December 2010
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	1,443,309	1,522,975
Finance cost paid		(529,354)	(575,109)
Income tax paid		(53,908)	(64,758)
Net decrease in long term deposits		(4,686)	(5,026)
<b>Net cash generated from operating activities</b>		<b>855,361</b>	<b>878,082</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(79,668)	(76,948)
Investment made		-	(172)
Interest received		4,329	250
Proceeds from sale of property, plant and equipment		449	1,400
Proceeds from disposal of investments		543,905	9,004
Advance against sale of land received back		-	100,000
Dividend received		-	6,590
<b>Net cash from investing activities</b>		<b>469,015</b>	<b>40,124</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(1,066,985)	(488,554)
Repayment of long term financing		(275,160)	(372,943)
Repayment of liabilities against assets subject to finance lease		(19,789)	(41,289)
Dividend paid		(50)	-
<b>Net cash used in financing activities</b>		<b>(1,361,984)</b>	<b>(902,786)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(37,608)</b>	<b>15,420</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>420,996</b>	<b>78,851</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>383,388</b>	<b>94,271</b>

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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

For the half year ended 31 December 2011

	RESERVES						TOTAL EQUITY			
	CAPITAL RESERVES			REVENUE RESERVES				TOTAL		
	Share Premium	Fair Value Reserve	Sub Total	General Reserve	Unappropriated profit / (Accumulated Loss)	Sub Total				
----- (Rupees in thousand) -----										
<b>Balance as at 30 June 2010 - (Audited)</b>	1,455,262	144,919	462,483	607,402	1,450,491	(151,887)	1,298,604	1,906,006	3,361,268	
Ordinary shares issued other than through a right issue	1,000,000	-	-	-	-	-	-	-	-	1,000,000
Total comprehensive income for the half year ended 31 December 2010	-	-	148,033	148,033	-	57,221	57,221	-	205,254	205,254
<b>Balance as at 31 December 2010 - (Un-audited)</b>	2,455,262	144,919	610,516	755,435	1,450,491	(94,666)	1,355,825	2,111,260	4,566,522	
Total comprehensive loss for the half year ended 30 June 2011	-	-	(610,516)	(610,516)	-	430,630	430,630	(179,886)	(179,886)	
Balance as at 30 June 2011 - (Audited)	2,455,262	144,919	-	144,919	1,450,491	335,964	1,786,455	1,931,374	4,386,636	
Total comprehensive loss for the half year ended 31 December 2011	-	-	-	-	-	(64,074)	(64,074)	(64,074)	(64,074)	
<b>Balance as at 31 December 2011 - (Un-audited)</b>	<b>2,455,262</b>	<b>144,919</b>	<b>-</b>	<b>144,919</b>	<b>1,450,491</b>	<b>271,890</b>	<b>1,722,381</b>	<b>1,867,300</b>	<b>4,322,562</b>	

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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

## For the half year ended 31 December 2011

### **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 but subject to limited scope review by the statutory auditors 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 half year ended 31 December 2011 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 2011.

### **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 2011.

### **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 2011.





	Un-audited 31 December 2011 (Rupees in thousand)	Audited 30 June 2011
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	1,875,947	2,321,024
Add : Obtained during the period / year	-	150,000
	<u>1,875,947</u>	<u>2,471,024</u>
Less: Repayments during the period / year	275,160	595,077
	<u>1,600,787</u>	1,875,947
Less: Current portion shown under current liabilities	631,547	564,714
	<u>969,240</u>	1,311,233
<b>Unsecured</b>	7,477	7,477
	<u>976,717</u>	<u>1,318,710</u>

## 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 2011 except for the following:

- Guarantees issued by banks in respect of financial and operational obligations of the Company amounting to Rupees 241.220 million (30 June 2011: Rupees 249.620 million ).

### 6.2 Commitments in respect of:

- Letters of credit for capital expenditure are Rupees 25.476 million (30 June 2011: Rupees Nil).
- Letters of credit other than for capital expenditure are Rupees 373.744 million (30 June 2011: Rupees 42.070 million).

	Un-audited 31 December 2011 (Rupees in thousand)	Audited 30 June 2011
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets:		
Owned (Note 7.1)	6,485,352	6,578,979
Leased (Note 7.2)	159,090	166,964
Capital work-in-progress (Note 7.3)	4,025	1,748
	<u>6,648,467</u>	<u>6,747,691</u>



	Un-audited 31 December 2011 (Rupees in thousand)	Audited 30 June 2011
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	6,578,979	6,129,589
Add: Cost of additions during the period / year (Note 7.1.1)	77,391	260,620
Add: Surplus on revaluation of freehold land during the period / year	-	11,672
Add: Transferred from leased assets (Note 7.2)	-	117,277
Add: Transferred from non-current assets classified as held for sale during the period / year	-	399,673
	<u>6,656,370</u>	<u>6,918,831</u>
Less : Book value of deletions during the period / year (Note 7.1.2)	239	5,464
	<u>6,656,131</u>	<u>6,913,367</u>
Less : Depreciation charged during the period / year	170,779	334,388
Closing book value	<u>6,485,352</u>	<u>6,578,979</u>
<b>7.1.1 Cost of additions</b>		
Buildings	1,052	77,797
Plant and machinery	70,407	172,647
Service and other equipment	-	101
Computers	778	3,594
Furniture and fixture	111	1,288
Office equipment	1,178	1,910
Vehicles	3,865	3,283
	<u>77,391</u>	<u>260,620</u>
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	-	2,283
Vehicles	239	3,181
	<u>239</u>	<u>5,464</u>
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	166,964	280,386
Add: Cost of additions during the period / year (Note 7.2.1)	-	27,212
	<u>166,964</u>	<u>307,598</u>
Less : Transferred to owned assets (Note 7.1)	-	117,277
	<u>166,964</u>	<u>190,321</u>
Less : Depreciation charged during the period / year	7,874	23,357
Closing book value	<u>159,090</u>	<u>166,964</u>
<b>7.2.1 Cost of additions</b>		
Plant and machinery	-	27,212



	Un-audited 31 December 2011	Audited 30 June 2011
<b>7.3 Capital work-in-progress</b>		
Civil works and buildings	1,083	105
Plant and machinery	2,942	1,643
	<b>4,025</b>	<b>1,748</b>

## 8. LONG TERM INVESTMENTS

During the half year ended 31 December 2011, Concept Trading (Private) Limited (The wholly owned subsidiary company) was wound up on 13 August 2011 after complying with all regulatory and procedural requirements. The Company held 99.99% of paid up capital of Concept Trading (Private) Limited. Amount received / adjusted on members' voluntary winding up of subsidiary company amounted to Rupees 537.536 million.

	Un-audited	
	Half year ended	
	31 December 2011	31 December 2010
	(Rupees in thousand)	
<b>9. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>21,273</b>	128,222
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	178,653	179,200
Amortization	1,639	-
Finance cost	462,579	511,542
Gain on sale of property, plant and equipment	(210)	(143)
Gain on sale of investments	(6,399)	(1,228)
Loss on remeasurement of investment at fair value through profit or loss	57	23
Loss on winding up of subsidiary company	171	-
Loss on remeasurement of assets classified as held for sale	-	33,250
Dividend income	-	(6,590)
Return on bank deposits	(4,340)	(160)
Working capital changes (Note 9.1)	789,886	678,859
	<b>1,443,309</b>	<b>1,522,975</b>

### 9.1 Working capital changes

<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(7,273)	(43,994)
Stock-in-trade	383,961	601,422
Trade debts	(59,768)	(97,628)
Advances	(53,579)	(143,418)
Security deposits and short term prepayments	(7,487)	(4,091)
Other receivables	122,989	(46,396)
	<b>378,843</b>	<b>265,895</b>
<b>Increase in current liabilities:</b>		
Trade and other payables	165,480	412,964
Due to subsidiary company	245,563	-
	<b>789,886</b>	<b>678,859</b>





## 10. SEGMENT INFORMATION

10.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Company	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	Half year ended	31 Dec. 10	Half year ended	31 Dec. 10	Half year ended	31 Dec. 10	Half year ended	31 Dec. 10	Half year ended	31 Dec. 10
<b>SALES :</b>										
EXTERNAL INTER SEGMENT	1,788,400	1,962,346	1,353,255	1,008,254	1,976,041	3,465,828	-	-	5,097,696	6,436,428
	277,744	771,949	597,908	942,924	-	-	(875,652)	(1,714,873)	-	-
COST OF SALES	2,046,144	2,734,295	1,951,163	1,951,178	1,976,041	3,465,828	(875,652)	(1,714,873)	5,097,696	6,436,428
	(1,837,617)	(2,214,894)	(1,698,031)	(1,653,355)	(1,692,561)	(3,287,147)	875,652	1,714,873	(4,352,557)	(5,440,523)
GROSS PROFIT	208,527	519,401	253,132	297,823	283,480	178,681	-	-	745,139	995,905
DISTRIBUTION COST	(4,612)	(6,451)	(49,582)	(33,417)	(143,427)	(194,972)	-	-	(197,621)	(234,840)
ADMINISTRATIVE EXPENSES	(17,540)	(33,879)	(39,095)	(33,574)	(39,776)	(40,130)	-	-	(96,351)	(107,583)
	(22,152)	(40,330)	(88,617)	(66,991)	(183,203)	(235,102)	-	-	(293,972)	(342,423)
PROFIT/(LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	186,375	479,071	164,515	230,832	100,277	(56,421)	-	-	451,167	653,482
<b>UNALLOCATED INCOME AND EXPENSES</b>										
FINANCE COST									(462,579)	(513,059)
OTHER OPERATING EXPENSES									(1,590)	(44,246)
OTHER OPERATING INCOME									34,275	32,045
TAXATION									(85,347)	(71,001)
									(515,241)	(596,261)
(LOSS) / PROFIT AFTER TAXATION									(64,074)	57,221

10.2

## Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	31 Dec 11	30 June 11	31 Dec 11	30 June 11	31 Dec 11	30 June 11	31 Dec 11	30 June 11
<b>TOTAL ASSETS FOR REPORTABLE SEGMENTS</b>	2,780,910	2,741,104	2,602,063	2,187,389	2,283,215	2,707,311	7,656,188	7,635,804
UNALLOCATED ASSETS							7,525,363	8,666,861
<b>TOTAL ASSETS AS PER BALANCE SHEET</b>							15,191,551	16,302,665
<b>TOTAL LIABILITIES FOR REPORTABLE SEGMENT</b>	1,197,199	998,668	649,043	1,860,641	4,242,103	4,257,469	6,088,345	7,116,778
UNALLOCATED LIABILITIES							1,095,147	1,113,754
<b>TOTAL LIABILITIES AS PER BALANCE SHEET</b>							7,183,492	8,230,532



## 11. 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 Half year ended		Un-audited Quarter ended	
December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010

(..... Rupees in thousand .....)

### Subsidiary company

Purchase of goods and services	128	148	66	102
Sale of property, plant and equipment	-	204	-	-

### Associated company

Dividend received	-	6,399	-	-
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### Other related parties

Company's contribution to provident fund trust	12,169	10,541	5,931	5,360
Remuneration of Chief Executive Officer, Directors and Executives	52,620	44,699	25,965	24,092

## 12. 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 2011.

## 13. AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on February 23, 2012.

## 14. CORRESPONDING FIGURES

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

## 15. GENERAL

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

Lahore  
February 23, 2012




CHIEF EXECUTIVE OFFICER



DIRECTOR

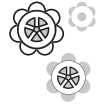


**KOHINOOR TEXTILE MILLS LIMITED**



**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION**

**FOR THE HALF YEAR ENDED  
31 DECEMBER 2011**



## 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 half year ended December 31, 2011. Kohinoor Textile Mills Limited (Holding Company) holds 64.70% shares of Maple Leaf Cement Factory Limited (Subsidiary Company).

The Group recorded after-tax profit of Rupees 622.451 million as compared to after-tax loss of Rupees 1,057.702 million during the corresponding period.

The Subsidiary suffered after-tax loss of Rupees 223.066 million as compared to after-tax loss of Rupees 1,114.905 million for the corresponding period.

For and on behalf of the Board



**Taufique Sayeed Saigol**  
Chief Executive Officer

Lahore  
February 23, 2012



# Consolidated Condensed Interim Balance Sheet

As at 31 December 2011

	Note	Un-audited 31 December 2011	Audited 30 June 2011
<b>(Rupees in thousand)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2011 : 370,000,000)		3,700,000	3,700,000
30,000,000 (30 June 2011 : 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid up share capital</b>		<b>2,455,262</b>	<b>2,455,262</b>
245,526,216 (30 June 2011: 245,526,216) ordinary shares of Rupees 10 each.			
<b>Reserves</b>		<u>766,762</u>	<u>659,690</u>
<b>Equity attributable to equity holders of the Holding Company</b>		<b>3,222,024</b>	<b>3,114,952</b>
<b>Non controlling interest</b>		<u>1,015,799</u>	<u>1,046,234</u>
<b>Total equity</b>		<b>4,237,823</b>	<b>4,161,186</b>
<b>Surplus on revaluation of property, plant and equipment and investment properties</b>		<b>9,108,757</b>	<b>9,233,617</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	4,851,097	5,372,895
Redeemable capital		7,583,000	7,983,000
Liabilities against assets subject to finance lease		377,204	507,209
Long term deposits		5,919	5,569
Employees' compensated absences		21,391	19,149
Deferred income tax		2,158,271	2,414,958
		<u>14,996,882</u>	<u>16,302,780</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,234,731	4,757,981
Accrued mark-up		1,181,088	1,021,299
Short term borrowings		7,913,171	9,214,931
Current portion of non-current liabilities		2,851,729	1,988,378
		<u>16,180,719</u>	<u>16,982,589</u>
<b>TOTAL LIABILITIES</b>		<b>31,177,601</b>	<b>33,285,369</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>44,524,181</b></u>	<u><b>46,680,172</b></u>

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER



	Note	Un-audited 31 December 2011	Audited 30 June 2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	34,151,736	34,950,932
Intangible assets		21,117	27,154
Investment properties		1,721,714	1,721,714
Long term loans to employees		2,973	2,531
Long term deposits and prepayments		92,480	87,794
		<b>35,990,020</b>	<b>36,790,125</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		3,087,199	3,361,339
Stock -in- trade		1,935,632	2,196,336
Trade debts		1,514,727	1,267,503
Loans and advances		405,209	386,392
Security deposits and short term prepayments		120,416	140,941
Accrued interest		598	936
Other receivables		422,668	547,892
Short term investments		21,028	942,941
Taxation recoverable		334,888	336,291
Cash and bank balances		691,796	709,476
		<b>8,534,161</b>	<b>9,890,047</b>
<b>TOTAL ASSETS</b>		<b>44,524,181</b>	<b>46,680,172</b>



DIRECTOR



# Consolidated Condensed Interim Profit and Loss Account (Un-Audited) For the half year ended 31 December 2011

	Half year ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
..... (Rupees in thousand) .....				
SALES	<b>12,118,438</b>	12,648,166	<b>6,544,012</b>	6,474,721
COST OF SALES	<b>(9,790,401)</b>	(10,796,614)	<b>(5,221,782)</b>	(5,428,256)
GROSS PROFIT	<b>2,328,037</b>	1,851,552	<b>1,322,230</b>	1,046,465
DISTRIBUTION COST	<b>(627,333)</b>	(994,698)	<b>(292,852)</b>	(553,175)
ADMINISTRATIVE EXPENSES	<b>(205,449)</b>	(211,055)	<b>(113,530)</b>	(110,248)
OTHER OPERATING EXPENSES	<b>(38,939)</b>	(104,549)	<b>(28,271)</b>	(75,801)
	<b>(871,721)</b>	(1,310,302)	<b>(434,653)</b>	(739,224)
	<b>1,456,316</b>	541,250	<b>887,577</b>	307,241
OTHER OPERATING INCOME	<b>953,350</b>	43,361	<b>10,012</b>	19,648
PROFIT FROM OPERATIONS	<b>2,409,666</b>	584,611	<b>897,589</b>	326,889
FINANCE COST	<b>(1,683,464)</b>	(1,568,596)	<b>(838,107)</b>	(790,094)
PROFIT / (LOSS) BEFORE TAXATION	<b>726,202</b>	(983,985)	<b>59,482</b>	(463,205)
TAXATION	<b>(103,751)</b>	(73,717)	<b>(73,553)</b>	(37,565)
PROFIT / (LOSS) AFTER TAXATION	<b>622,451</b>	(1,057,702)	<b>(14,071)</b>	(500,770)
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	<b>550,302</b>	(681,215)	<b>(24,422)</b>	(426,277)
NON CONTROLLING INTEREST				
DIVIDEND ON PREFERENCE SHARES	<b>26,345</b>	26,397	<b>13,165</b>	13,199
SHARE IN PROFIT / (LOSS) FOR THE PERIOD	<b>45,804</b>	(402,884)	<b>(2,814)</b>	(87,692)
	<b>72,149</b>	(376,487)	<b>10,351</b>	(74,493)
PROFIT / (LOSS) AFTER TAXATION AND NON CONTROLLING INTEREST	<b>622,451</b>	(1,057,702)	<b>(14,071)</b>	(500,770)
EARNING / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	<b>2.54</b>	(3.42)	<b>(0.06)</b>	(2.14)

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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

For the half year ended 31 December 2011



	Half year ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
..... (Rupees in thousand) .....				
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>622,451</b>	<b>(1,057,702)</b>	<b>(14,071)</b>	<b>(500,770)</b>
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Surplus on remeasurement of available for sale investments	-	344,096	-	260,869
Reclassification adjustment for gain/ loss included in profit and loss	<b>(670,674)</b>		-	
Deferred income tax on remeasurement of available for sale investments	-	(90,325)	-	(68,478)
Other comprehensive income / (loss) for the period - net of tax	<b>(670,674)</b>	253,771	-	192,391
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(48,223)</b>	<b>(803,931)</b>	<b>(14,071)</b>	<b>(308,379)</b>
<b>Share of total comprehensive income/ (loss) attributable to:</b>				
Equity holders of Holding Company	<b>26,375</b>	(464,770)	<b>(24,422)</b>	(258,457)
Non controlling interest	<b>(74,598)</b>	(339,161)	<b>10,351</b>	(49,922)
	<b>(48,223)</b>	<b>(803,931)</b>	<b>(14,071)</b>	<b>(308,379)</b>

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





# Consolidated Condensed Interim Cash Flow Statement (Un-Audited) For the half year ended 31 December 2011

	Note	31 December 2011	31 December 2010
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	2,395,156	2,237,742
Finance cost paid		(1,523,675)	(907,482)
Compensated absences paid		(11,697)	(2,545)
Income tax paid		(120,317)	(159,967)
Net increase in long term deposits		(4,336)	(2,873)
<b>Net cash generated from operating activities</b>		<b>735,131</b>	<b>1,164,875</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(202,589)	(417,259)
Long term loans to employees		(442)	820
Investment made		-	(172)
Interest received		7,617	2,277
Proceeds from sale of property, plant and equipment		449	1,400
Proceeds from disposal of investments		932,417	9,004
Advance against purchase of land received back		-	100,000
Dividend received		-	11,160
<b>Net cash generated from/ (used in) investing activities</b>		<b>737,452</b>	<b>(292,770)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from long term financing - secured		200,000	-
Short term borrowings (net)		(1,301,760)	(212,416)
Repayment of long term financing - secured		(363,596)	(461,378)
Repayment of redeemable capital		(3,400)	(3,400)
Repayment of liabilities against assets subject to finance lease		(21,456)	(38,302)
Dividend paid		(51)	-
<b>Net cash used in financing activities</b>		<b>(1,490,263)</b>	<b>(715,496)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(17,680)</b>	<b>156,609</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>709,476</b>	<b>152,453</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>691,796</b>	<b>309,062</b>

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

Lahore  
February 23, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



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

## For the half year ended 31 December 2011

### 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 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 64.63% (2011: 64.63%) 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 2011.

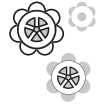
### 3. ACCOUNTING POLICIES

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 2011.

### 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 2011.



	Un-audited 31 December 2011	Audited 30 June 2011
	(Rupees in thousand)	
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	6,379,805	5,401,463
Add: Obtained during the period/ year	200,000	1,750,290
	6,579,805	7,151,753
Less: Repayments during the period/ year	363,596	771,948
	6,216,209	6,379,805
Less: Current portion shown under current liabilities	1,372,589	1,014,387
	4,843,620	5,365,418
<b>Unsecured</b>	7,477	7,477
	4,851,097	5,372,895

## 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 2011 except for the following:

- Guarantees issued by banks in respect of financial and operational obligations of the Group amounting to Rupees 645.087 million (30 June 2011: Rupees 647.487 million).
- The Subsidiary had filed a petition in the Lahore High Court against the fuel price adjustment charged by FESCO amounting to Rs. 70 million in the electricity bills of October 2011 and November 2011. The Lahore High Court had initially granted a stay on such payment but subsequently on the request of FESCO vacated such stay and instructed the Subsidiary to pay such amount in three equal installments out of which the first installment has been paid on 31 January 2012.

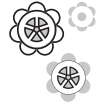
Therefore the Subsidiary Company had preferred an appeal to the Supreme Court of Pakistan based on which the Supreme Court has referred the case to The Lahore High Court. The matter is pending in the Lahore High Court but the management believes that the case will be decided in the favour of the Subsidiary.

### 6.2 Commitments in respect of :

- (i) Contracts for capital expenditure are Rupees 170.250 million (30 June 2011: Rupees 235.014 million)
- (ii) Letters of credit for capital expenditure amount to Rupees 25.476 million (30 June 2011: Rupees Nil).
- (iii) Letters of credit other than for capital expenditure amount to Rupees 414.354 million (30 June 2011: Rupees 86.583 million).



	Un-audited 31 December 2011 (Rupees in thousand)	Audited 30 June 2011
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets:		
Owned (Note 7.1)	<b>33,173,752</b>	30,192,678
Leased (Note 7.2)	<b>934,465</b>	962,220
Capital work-in-progress (Note 7.3)	<b>43,519</b>	3,796,034
	<b>34,151,736</b>	34,950,932
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	<b>30,192,678</b>	23,133,737
Add : Cost of additions during the period / year (Note 7.1.1)	<b>3,955,103</b>	315,250
Add : Transferred from leased assets (Note 7.2)	-	117,277
Add: Transferred from non-current assets classified as held for sale during the period / year	-	399,673
Add : Surplus on revaluation of freehold land during the period / year (Note 7.1.3)	-	7,885,493
	<b>34,147,781</b>	31,851,430
Less : Book value of deletions during the period / year (7.1.2)	<b>239</b>	108,569
	<b>34,147,542</b>	31,742,861
Less : Depreciation charged during the period / year	<b>973,790</b>	1,550,183
	<b>33,173,752</b>	30,192,678
<b>7.1.1 Cost of additions</b>		
Buildings	<b>422,028</b>	78,385
Plant and machinery	<b>3,517,083</b>	209,200
Service and other equipment	-	101
Computers	<b>778</b>	3,594
Furniture and fixture	<b>2,988</b>	4,985
Office equipment	<b>1,178</b>	1,910
Vehicles	<b>11,048</b>	17,074
Share of joint assets	-	1
	<b>3,955,103</b>	315,250



	Un-audited 31 December 2011 (Rupees in thousand)	Audited 30 June 2011
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	-	105,013
Vehicles	239	3,556
	<b>239</b>	<b>108,569</b>
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	962,220	1,113,114
Add : Cost of additions during the period / year (Note 7.2.1)	-	27,212
	<b>962,220</b>	<b>1,140,326</b>
Less : Transferred to owned assets (Note 7.1)	-	117,277
	<b>962,220</b>	<b>1,023,049</b>
Less : Depreciation charged during the period / year	27,755	60,829
Closing book value	<b>934,465</b>	<b>962,220</b>
<b>7.2.1 Cost of additions</b>		
Plant and machinery	-	27,212
<b>7.3 Capital work-in-progress</b>		
Civil works and buildings	1,083	105
Plant and machinery	26,008	3,203,712
Un-allocated capital expenditure	1,001	477,163
Advances to suppliers against:		
- purchase of land	2,000	2,000
- civil works	1,505	3,505
- plant and machinery	9,728	104,999
- vehicles	2,194	4,550
	<b>43,519</b>	<b>3,796,034</b>



Un-audited	
Half year ended	
31 December 2011	31 December 2010
(Rupees in thousand)	

## 8. CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation	726,202	(983,985)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,001,545	693,494
Amortization of intangible assets	6,037	5,746
Finance cost	1,683,464	1,567,079
Employees' compensated absences	13,939	2,379
Gain on sale of property, plant and equipment	(210)	(143)
Gain on remeasurement of investment	(202)	(747)
Loss on remeasurement of assets classified as held for sale	-	33,250
Loss on winding up of subsidiary	142	-
Gain on sale of investment	(920,360)	(1,228)
Dividend income	-	(11,160)
Return on bank deposits	(7,279)	(1,971)
Working capital changes (Note 8.1)	(108,122)	935,028
	<u>2,395,156</u>	<u>2,237,742</u>

### 8.1 Working capital changes

#### (Increase)/ decrease in current assets

Stores, spare parts and loose tools	274,140	(462,122)
Stock-in-trade	260,704	442,324
Trade debts	(247,224)	(302,064)
Loans and advances	(18,817)	(116,306)
Security deposits and short term prepayments	20,525	(38,062)
Other receivables	189,794	(128,316)
	<u>479,122</u>	<u>(604,546)</u>

#### Increase / (decrease) in current liabilities

Trade and other payables	(587,244)	1,539,574
	<u>(108,122)</u>	<u>935,028</u>





## 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:

Un-audited Half year ended		Un-audited Quarter ended	
31 December 2011	31 December 2010	31 December 2011	31 December 2010

(..... Rupees in thousand .....)

### Associated company

Dividend income	-	10,969	-	4,570
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### Other related parties

Group's contribution to employee's benefits	19,424	10,541	13,186	5,360
Remuneration paid to Chief Executive Officers, Directors and Executives	100,916	83,585	52,276	42,742

## 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 2011.

## 12. AUTHORIZATION

This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Company on February 23, 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.

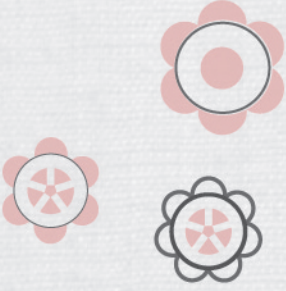
Lahore  
February 23, 2012



CHIEF EXECUTIVE OFFICER



DIRECTOR



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