

Half Yearly Report  
December 31, 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  
FAYSAL BANK 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) 5495328-32, 5495301-303  
FAX: (92-051) 5495356
- 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:** KTMML's financial statements are also available at the above website.

## Directors' Review

The Directors present unaudited accounts of the Company for the half year ended December 31, 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.390 million as compared to after tax loss of Rs.64 million during the corresponding period last year.

Sales turnover for the period amounted to Rs.7,050 million, a substantial increase of 38.30% over the same period last year. The Company earned gross profit of Rs.1,207 million (17.11%) relative to gross profit of Rs.745 million (14.62%) during the corresponding period last year. Operating profit for the period before adjustment for financial charges amounted to Rs.881 million for the period, against Rs.484 million in the previous year.

The performance of the Company's Spinning divisions during the current period showed a significant improvement over the corresponding half year ended on December 31, 2011. Spinning results would have been considerably better had the energy supply situation been smoother. Financial improvement in Company's spinning operations was a result of increased demand for finer yarns whose consumption has grown for production of lawns and voiles. We expect this demand will continue through the next quarter hopefully resulting in healthy profitability. However, it is likely that some of the improved margins in the upcoming quarter will be blunted by reduced power and gas supply resulting in increased energy prices. While we do not expect further bearish condition in raw cotton prices, the Company continues to purchase cotton cautiously and maintains its policy of 3-4 months coverage of raw materials.

Order books of the Company's Weaving division remain full, however increased prices of yarn and very poor energy supply situation have hurt the bottom line. As we move towards warmer months, it is expected that energy supply situation will improve, resulting in better financial results in the last quarter of the current financial year.

The Processing and Cut & Sew divisions have performed better this quarter than in the previous one. Stringent cost controls are being applied and operations were further streamlined. We expect these divisions to show a gradual but continuous improvement. While the Company has faced substantial cost increases due to general inflation, wage increases and growing energy prices, these have to some degree, been offset by devaluation of the Pakistani rupee. We expect slightly reduced levels of inflation moving forward which, when coupled with continued expected currency devaluation, should have a positive impact on the Company's bottom line.

The biggest challenge to the Company's profitability continues to be the large energy shortages the country faces. Currently power shortages are being met through alternative generation facilities based on Furnace Oil which is significantly expensive. Continued demand from China had a bullish



effect on yarn prices resulting in favourable results in Spinning Divisions. We expect this trend to continue. However, higher yarn prices can lead to reduced margins in our Processing and Cut & Sew divisions due to expensive greige cloth.

### **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  
January 31, 2013

# 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 2012 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 2012 and 31 December 2011 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 2012.

## 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 2012 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: 31 January 2013

ISLAMABAD



# Unconsolidated Condensed Interim Balance Sheet

As at 31 December 2012

Note	Un-audited 31 December 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>2,449,503</b>	2,059,475
<b>Total equity</b>	<b>4,904,765</b>	4,514,737
<b>Surplus on revaluation of land and investment properties</b>	<b>3,673,825</b>	3,673,825
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	<b>262,301</b>	519,135
Liabilities against assets subject to finance lease	-	20,501
Deferred income tax liability	<b>229,485</b>	140,175
	<b>491,786</b>	679,811
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,213,412</b>	1,161,892
Accrued mark-up	<b>146,488</b>	185,698
Short term borrowings	<b>4,533,598</b>	4,364,111
Current portion of non-current liabilities	<b>602,498</b>	617,856
	<b>6,495,996</b>	6,329,557
<b>Total liabilities</b>	<b>6,987,782</b>	7,009,368
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>15,566,372</b>	15,197,930

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

CHIEF EXECUTIVE OFFICER

Note	Un-audited 31 December 2012	Audited 30 June 2012
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(Rupees in thousand)

## ASSETS

### NON-CURRENT ASSETS

Property, plant and equipment	7	<b>6,029,514</b>	6,161,381
Intangible asset		<b>4,645</b>	6,284
Investment properties		<b>1,728,886</b>	1,728,886
Long term investment		<b>3,248,680</b>	3,248,680
Long term deposits		<b>43,712</b>	50,515
		<b>11,055,437</b>	11,195,746

### CURRENT ASSETS

Stores, spare parts and loose tools	<b>350,331</b>	320,486
Stock-in-trade	<b>1,720,069</b>	1,529,949
Trade debts	<b>1,161,856</b>	986,683
Advances	<b>369,760</b>	312,406
Security deposits and short term prepayments	<b>34,861</b>	25,909
Accrued interest	-	217
Other receivables	<b>351,306</b>	308,494
Short term investments	<b>952</b>	611
Taxation recoverable	<b>127,199</b>	131,926
Cash and bank balances	<b>394,601</b>	385,503
	<b>4,510,935</b>	4,002,184

### TOTAL ASSETS

<b>15,566,372</b>	15,197,930
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 DIRECTOR







# Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited) For the half year ended 31 December 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	..... (Rupees in thousand) .....			
SALES	<b>7,050,118</b>	5,097,696	<b>3,705,461</b>	2,879,384
COST OF SALES	<b>(5,843,594)</b>	(4,352,557)	<b>(3,031,112)</b>	(2,470,280)
GROSS PROFIT	<b>1,206,524</b>	745,139	<b>674,349</b>	409,104
DISTRIBUTION COST	<b>(202,468)</b>	(197,621)	<b>(105,735)</b>	(100,170)
ADMINISTRATIVE EXPENSES	<b>(123,201)</b>	(96,351)	<b>(68,008)</b>	(50,858)
OTHER OPERATING EXPENSES	<b>(28,421)</b>	(1,590)	<b>(28,190)</b>	(1,356)
	<b>(354,090)</b>	(295,562)	<b>(201,933)</b>	(152,384)
OTHER OPERATING INCOME	<b>852,434</b>	449,577	<b>472,416</b>	256,720
	<b>28,929</b>	34,275	<b>15,982</b>	14,410
PROFIT FROM OPERATIONS	<b>881,363</b>	483,852	<b>488,398</b>	271,130
FINANCE COST	<b>(350,307)</b>	(462,579)	<b>(164,332)</b>	(227,553)
PROFIT BEFORE TAXATION	<b>531,056</b>	21,273	<b>324,066</b>	43,577
TAXATION				
- Current	<b>(51,717)</b>	(51,004)	<b>(32,365)</b>	(28,791)
- Deferred	<b>(89,311)</b>	(34,343)	<b>(89,311)</b>	(34,343)
	<b>(141,028)</b>	(85,347)	<b>(121,676)</b>	(63,134)
PROFIT / (LOSS) AFTER TAXATION	<b>390,028</b>	(64,074)	<b>202,390</b>	(19,557)
EARNINGS / (LOSS) PER SHARE				
- BASIC AND DILUTED (RUPEES)	<b>1.59</b>	(0.26)	<b>0.82</b>	(0.08)

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 half year ended 31 December 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	..... (Rupees in thousand) .....			
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>390,028</b>	(64,074)	<b>202,390</b>	(19,557)
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>390,028</b>	(64,074)	<b>202,390</b>	(19,557)

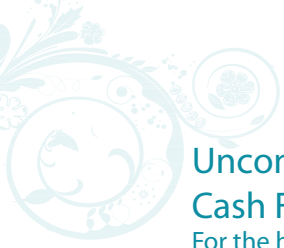
The annexed notes form an integral part of this unconsolidated condensed interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



# Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited) For the half year ended 31 December 2012

	Note	31 December 2012	31 December 2011
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	<b>580,507</b>	1,443,309
Finance cost paid		<b>(389,517)</b>	(529,354)
Income tax paid		<b>(46,989)</b>	(53,908)
Net decrease / (increase) in long term deposits		<b>6,803</b>	(4,686)
<b>Net cash generated from operating activities</b>		<b>150,804</b>	855,361
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		<b>(33,455)</b>	(79,668)
Interest received		<b>14,244</b>	4,329
Proceeds from sale of property, plant and equipment		<b>711</b>	449
Proceeds from disposal of investments		-	543,905
<b>Net cash (used in) / from investing activities</b>		<b>(18,500)</b>	469,015
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		<b>169,487</b>	(1,066,985)
Repayment of long term financing		<b>(273,822)</b>	(275,160)
Repayment of liabilities against assets subject to finance lease		<b>(18,871)</b>	(19,789)
Dividend paid		-	(50)
<b>Net cash used in financing activities</b>		<b>(123,206)</b>	(1,361,984)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>9,098</b>	(37,608)
<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>394,601</b>	383,388

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 half year ended 31 December 2012

	Reserves					Total Equity	
	Share Capital	Capital Reserves		Revenue Reserves			Total
		Share Premium	General Reserve	Unappropriated profit	Sub Total		
<b>Balance as at 30 June 2011 - (Audited)</b>	2,455,262	144,919	1,450,491	335,964	1,786,455	4,386,636	
Loss after taxation for the half year ended 31 December 2011	-	-	-	(64,074)	(64,074)	(64,074)	
Other comprehensive income for the half year ended 31 December 2011	-	-	-	-	-	-	
Total comprehensive loss for the half year ended 31 December 2011	-	-	-	(64,074)	(64,074)	(64,074)	
<b>Balance as at 31 December 2011 - un-audited</b>	2,455,262	144,919	1,450,491	271,890	1,722,381	4,322,562	
Surplus on revaluation realised on disposal of land	-	-	-	11,672	11,672	11,672	
Profit after taxation for the half year ended 30 June 2012	-	-	-	180,503	180,503	180,503	
Other comprehensive income for the half year ended 30 June 2012	-	-	-	-	-	-	
Total comprehensive income for the half year ended 30 June 2012	-	-	-	180,503	180,503	180,503	
<b>Balance as at 30 June 2012 - audited</b>	2,455,262	144,919	1,450,491	464,065	1,914,556	4,514,737	
Profit after taxation for the half year ended 31 December 2012	-	-	-	390,028	390,028	390,028	
Other comprehensive income for the half year ended 31 December 2012	-	-	-	-	-	-	
Total comprehensive income for the half year ended 31 December 2012	-	-	-	390,028	390,028	390,028	
<b>Balance as at 31 December 2012 - un-audited</b>	2,455,262	144,919	1,450,491	854,093	2,304,584	4,904,765	

(Rupees in thousand)

**Balance as at 30 June 2011 - (Audited)**  
 Loss after taxation for the half year ended 31 December 2011  
 Other comprehensive income for the half year ended 31 December 2011  
 Total comprehensive loss for the half year ended 31 December 2011

**Balance as at 31 December 2011 - un-audited**  
 Surplus on revaluation realised on disposal of land  
 Profit after taxation for the half year ended 30 June 2012  
 Other comprehensive income for the half year ended 30 June 2012  
 Total comprehensive income for the half year ended 30 June 2012

**Balance as at 30 June 2012 - audited**  
 Profit after taxation for the half year ended 31 December 2012  
 Other comprehensive income for the half year ended 31 December 2012  
 Total comprehensive income for the half year ended 31 December 2012

**Balance as at 31 December 2012 - un-audited**

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 half year ended 31 December 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 the 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 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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

	<b>Un-audited 31 December 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>269,028</b>	774,544
	<b>832,375</b>	1,101,403
Less: Current portion shown under current liabilities	<b>570,074</b>	587,062
	<b>262,301</b>	514,341
<b>Unsecured</b>	<b>-</b>	4,794
	<b>262,301</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 except following:

- Guarantees issued by banks in respect of financial and operational obligations of the Company amounting to Rupees 241.156 million ( 30 June 2012 : Rupees 243.391 million).

### 6.2 Commitments

Commitments in respect of letters of credit other than for capital expenditure amounting to Rupees 408.593 million (30 June 2012: Rupees 185.585 million).

	<b>Un-audited 31 December 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>5,890,301</b>	6,008,509
Leased (Note 7.2)	<b>137,715</b>	144,287
Capital work-in-progress:		
Plant and machinery	<b>1,498</b>	8,585
	<b>6,029,514</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>40,542</b>	166,471
Add: Transferred from leased assets (Note 7.2)	<b>-</b>	8,195
	<b>6,049,051</b>	6,753,645
Less : Book value of deletions during the period / year (Note 7.1.2)	<b>394</b>	412,373
	<b>6,048,657</b>	6,341,272
Less : Depreciation charged during the period / year	<b>158,356</b>	332,763
	<b>5,890,301</b>	6,008,509



	<b>Un-audited 31 December 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<b>7.1.1 Cost of additions</b>		
Buildings	<b>1,852</b>	4,392
Plant and machinery	<b>30,681</b>	138,351
Services and other equipment	-	11,687
Computer and IT installations	<b>2,739</b>	2,408
Furniture and equipment	<b>57</b>	215
Office equipment	<b>1,728</b>	1,698
Vehicles	<b>3,485</b>	7,720
	<b>40,542</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 equipment	-	17
Office equipment	-	30
Vehicles	<b>394</b>	558
	<b>394</b>	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 7.1)	-	8,195
	<b>144,287</b>	158,769
Less : Depreciation charged during the period / year	<b>6,572</b>	14,482
Closing book value	<b>137,715</b>	144,287

Un-audited	
Half year ended	
31 December 2012	31 December 2011

(Rupees in thousand)

## 8. CASH GENERATED FROM OPERATIONS

<b>Profit before taxation</b>	<b>531,056</b>	21,273
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>164,928</b>	178,653
Amortization	<b>1,639</b>	1,639
Finance cost	<b>350,307</b>	462,579
Gain on sale of property, plant and equipment	<b>(317)</b>	(210)
Gain on sale of investments	-	(6,399)
(Gain) / loss on remeasurement of investment at fair value through profit or loss	<b>(341)</b>	57
Loss on winding up of subsidiary company	-	171
Unclaimed balance written back	<b>(63)</b>	-
Provision for doubtful debts	<b>43</b>	-
Return on bank deposits	<b>(14,027)</b>	(4,340)
Working capital changes (Note 8.1)	<b>(452,718)</b>	789,886
	<b>580,507</b>	1,443,309

### 8.1 Working capital changes

<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	<b>(29,845)</b>	(7,273)
Stock-in-trade	<b>(190,120)</b>	383,961
Trade debts	<b>(175,217)</b>	(59,768)
Advances	<b>(57,292)</b>	(53,579)
Security deposits and short term prepayments	<b>(8,952)</b>	(7,487)
Other receivables	<b>(42,812)</b>	122,989
	<b>(504,238)</b>	378,843
<b>Increase in current liabilities:</b>		
Trade and other payables	<b>51,520</b>	411,043
	<b>(452,718)</b>	789,886





## 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		Un-audited	
	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
(..... Rupees in thousand .....) )				
<b>Subsidiary company</b>				
Purchase of goods and services	172	128	45	66
<b>Other related parties</b>				
Company's contribution to provident fund trust	12,491	12,169	5,755	5,931
Remuneration of Chief Executive Officer, Directors and Executives	53,300	52,620	26,611	25,965
			<b>Un-audited</b>	<b>Audited</b>
			<b>31 December</b>	<b>30 June</b>
			<b>2012</b>	<b>2012</b>
			<b>(Rupees in thousand)</b>	
<b>Period end balance</b>				
Due to subsidiary company			94,921	131,128

## 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 31 January 2013.

## 13. CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures has 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 HALF YEAR ENDED  
31 DECEMBER 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 half year ended December 31, 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 1,865.406 million as compared to after-tax profit of Rupees 622.451 million during the corresponding period.

The subsidiary earned after-tax profit of Rupees 1,349.964 million as compared to after-tax loss of Rupees 223.066 million for the corresponding period.

For and on behalf of the Board



**Taufique Sayeed Saigol**  
Chief Executive

Lahore  
January 31, 2013



# Consolidated Condensed Interim Balance Sheet

As at 31 December 2012

	Note	Un-audited 31 December 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>		<b>2,455,262</b>	2,455,262
245,526,216 (30 June 2012: 245,526,216) ordinary shares of Rupees 10 each.		<b>2,283,946</b>	1,483,031
<b>Reserves</b>		<b>4,739,208</b>	3,938,293
<b>Equity attributable to equity holders of the Holding Company</b>		<b>1,694,991</b>	1,335,388
<b>Non-controlling interest</b>		<b>6,434,199</b>	5,273,681
<b>Total equity</b>		<b>4,044,540</b>	4,044,540
Surplus on revaluation of land and investment properties			
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	<b>3,422,970</b>	4,023,234
Redeemable capital		<b>6,783,000</b>	7,183,000
Liabilities against assets subject to finance lease		<b>892,055</b>	263,126
Long term deposits		<b>7,049</b>	6,219
Retirement benefits		<b>50,387</b>	50,926
Deferred income tax liability		<b>229,485</b>	140,175
		<b>11,384,946</b>	11,666,680
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>4,421,346</b>	4,579,005
Accrued mark-up		<b>552,524</b>	943,532
Short term borrowings		<b>8,343,251</b>	7,613,495
Current portion of non-current liabilities		<b>2,620,678</b>	3,487,820
		<b>15,937,799</b>	16,623,852
<b>Total liabilities</b>		<b>27,322,745</b>	28,290,532
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,801,484</b>	37,608,753

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2012	Audited 30 June 2012
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<b>25,295,417</b>	25,998,384
Intangible assets		<b>9,452</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>2,175</b>	2,387
Long term deposits		<b>97,397</b>	103,865
		<b>27,136,364</b>	27,851,640
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		<b>3,652,833</b>	3,422,429
Stock -in- trade		<b>2,691,817</b>	2,433,344
Trade debts		<b>1,743,693</b>	1,562,614
Loans and advances		<b>528,358</b>	493,574
Security deposits and short term prepayments		<b>125,667</b>	144,562
Accrued interest		<b>688</b>	1,408
Other receivables		<b>445,187</b>	373,246
Short term investments		<b>15,246</b>	33,733
Taxation recoverable		<b>484,636</b>	443,474
Cash and bank balances		<b>976,995</b>	848,729
		<b>10,665,120</b>	9,757,113
<b>TOTAL ASSETS</b>		<b>37,801,484</b>	37,608,753


  
DIRECTOR



## Consolidated Condensed Interim Profit and Loss Account (Un-Audited) For the half year ended 31 December 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	..... (Rupees in thousand) .....			
SALES	<b>15,224,984</b>	12,118,438	<b>8,072,648</b>	6,544,012
COST OF SALES	<b>(11,096,738)</b>	(9,790,401)	<b>(5,692,665)</b>	(5,221,782)
GROSS PROFIT	<b>4,128,246</b>	2,328,037	<b>2,379,983</b>	1,322,230
DISTRIBUTION COST	<b>(585,982)</b>	(627,333)	<b>(303,075)</b>	(292,852)
ADMINISTRATIVE EXPENSES	<b>(238,501)</b>	(205,449)	<b>(130,144)</b>	(113,530)
OTHER OPERATING EXPENSES	<b>(84,829)</b>	(38,939)	<b>(83,878)</b>	(28,271)
	<b>(909,312)</b>	(871,721)	<b>(517,097)</b>	(434,653)
OTHER OPERATING INCOME	<b>3,218,934</b>	1,456,316	<b>1,862,886</b>	887,577
	<b>38,934</b>	953,350	<b>25,510</b>	10,012
PROFIT FROM OPERATIONS	<b>3,257,868</b>	2,409,666	<b>1,888,396</b>	897,589
FINANCE COST	<b>(1,271,137)</b>	(1,683,464)	<b>(575,578)</b>	(838,107)
PROFIT BEFORE TAXATION	<b>1,986,731</b>	726,202	<b>1,312,818</b>	59,482
TAXATION				
- Current	<b>(32,014)</b>	(121,720)	<b>6,501</b>	(65,695)
- Deferred	<b>(89,311)</b>	17,969	<b>(89,311)</b>	(7,858)
	<b>(121,325)</b>	(103,751)	<b>(82,810)</b>	(73,553)
PROFIT / (LOSS) AFTER TAXATION	<b>1,865,406</b>	622,451	<b>1,230,008</b>	(14,071)
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO :				
EQUITY HOLDERS OF HOLDING COMPANY	<b>1,340,774</b>	550,302	<b>872,704</b>	(24,422)
NON CONTROLLING INTEREST				
DIVIDEND ON PREFERENCE SHARES	<b>1,353</b>	26,345	<b>(11,629)</b>	13,165
SHARE IN PROFIT / (LOSS) FOR THE PERIOD	<b>523,279</b>	45,804	<b>368,933</b>	(2,814)
	<b>524,632</b>	72,149	<b>357,304</b>	10,351
PROFIT AFTER TAXATION AND NON CONTROLLING INTEREST	<b>1,865,406</b>	622,451	<b>1,230,008</b>	(14,071)
EARNING / (LOSS) PER SHARE				
- BASIC AND DILUTED (RUPEES)	<b>7.60</b>	2.54	<b>5.01</b>	(0.06)

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 half year ended 31 December 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	..... (Rupees in thousand) .....			
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>1,865,406</b>	622,451	<b>1,230,008</b>	(14,071)
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	(670,674)	-	-
Other comprehensive income / (loss) for the period - net of tax	-	(670,674)	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>1,865,406</b>	(48,223)	<b>1,230,008</b>	(14,071)

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 half year ended 31 December 2012

	Note	31 December 2012 (Rupees in thousand)	31 December 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	<b>2,795,528</b>	2,395,156
Finance cost paid		<b>(1,639,155)</b>	(1,523,675)
Compensated absences paid		<b>(11,189)</b>	(11,697)
Income tax paid		<b>(73,175)</b>	(120,317)
Net decrease / (increase) in long term deposits		<b>7,512</b>	(4,336)
<b>Net cash generated from operating activities</b>		<b>1,079,521</b>	735,131
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		<b>(103,973)</b>	(202,589)
Long term loans to employees		-	(442)
Interest received		<b>24,296</b>	7,617
Proceeds from sale of property, plant and equipment		<b>1,766</b>	449
Proceeds from disposal of investments		-	932,417
<b>Net cash (used in) / from investing activities</b>		<b>(77,911)</b>	737,452
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from long term financing		<b>40,496</b>	200,000
Short term borrowings (net)		<b>729,756</b>	(1,301,760)
Repayment of long term financing		<b>(643,849)</b>	(363,596)
Repayment of redeemable capital		<b>(565,422)</b>	(3,400)
Repayment of liabilities against assets subject to finance lease		<b>(100,914)</b>	(21,456)
Redemption of preference shares		<b>(156,786)</b>	-
Dividend paid		<b>(176,625)</b>	(51)
<b>Net cash used in financing activities</b>		<b>(873,344)</b>	(1,490,263)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>128,266</b>	(17,680)
<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>976,995</b>	691,796

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 half year ended 31 December 2012

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										
SHARE CAPITAL	CAPITAL RESERVES					REVENUE RESERVES			TOTAL RESERVES	TOTAL EQUITY
	Fair value reserve		Sub Total		General Reserve	(Accumulated loss) / Unappropriated profit	Sub Total	NON CONTROLLING INTEREST		
	Share premium									
<b>2,455,262</b>	<b>144,919</b>	<b>523,927</b>	<b>668,846</b>	<b>1,450,491</b>	<b>(1,459,647)</b>	<b>(9,156)</b>	<b>659,690</b>	<b>3,114,952</b>	<b>1,046,234</b>	<b>4,161,186</b>
-	-	-	-	-	80,697	80,697	80,697	80,697	44,163	124,860
-	-	-	-	-	550,302	550,302	550,302	550,302	72,149	622,451
-	-	(523,927)	(523,927)	-	-	-	(523,927)	(523,927)	(146,747)	(670,674)
-	-	(523,927)	(523,927)	-	550,302	550,302	26,375	26,375	(74,598)	(48,223)
<b>2,455,262</b>	<b>144,919</b>	<b>1,450,491</b>	<b>144,919</b>	<b>1,450,491</b>	<b>(828,648)</b>	<b>621,843</b>	<b>766,762</b>	<b>3,222,024</b>	<b>1,015,799</b>	<b>4,237,823</b>
-	-	-	-	-	11,672	11,672	11,672	11,672	-	11,672
-	-	-	-	-	(3,144)	(3,144)	(3,144)	(3,144)	3,144	-
-	-	-	-	-	707,741	707,741	707,741	707,741	316,445	1,024,186
-	-	-	-	-	707,741	707,741	707,741	707,741	316,445	1,024,186
<b>2,455,262</b>	<b>144,919</b>	<b>1,450,491</b>	<b>144,919</b>	<b>1,450,491</b>	<b>(112,379)</b>	<b>1,338,112</b>	<b>1,483,031</b>	<b>3,938,293</b>	<b>1,335,388</b>	<b>5,273,681</b>
-	-	-	-	-	-	-	-	-	(528,263)	(528,263)
-	-	-	-	-	-	-	-	-	(17,6625)	(17,6625)
-	-	-	-	-	(539,859)	(539,859)	(539,859)	(539,859)	539,859	-
-	-	-	-	-	1,340,774	1,340,774	1,340,774	1,340,774	524,632	1,865,406
-	-	-	-	-	1,340,774	1,340,774	1,340,774	1,340,774	524,632	1,865,406
<b>2,455,262</b>	<b>144,919</b>	<b>1,450,491</b>	<b>144,919</b>	<b>1,450,491</b>	<b>688,536</b>	<b>2,139,027</b>	<b>2,283,946</b>	<b>4,739,208</b>	<b>1,694,991</b>	<b>6,434,199</b>

(Rupees in thousand)

**Balance as at 30 June 2011**

Transferred from surplus on revaluation of property, plant and equipment (net of tax) 31 December 2011  
Other comprehensive loss for the half year ended 31 December 2011  
Total comprehensive income / (loss) for the half year ended 31 December 2011

**Balance as at 31 December 2011**

Surplus on revaluation realised on disposal of land  
Decrease in interest of equity holders of the Holding Company

Profit after taxation for the half year ended 30 June 2012

Total comprehensive income for the half year ended 30 June 2012

**Balance as at 30 June 2012**

Redemption of preference shares  
Dividend paid to minority shareholders  
Decrease in interest of equity holders of the Holding Company

Profit after taxation for the half year ended 31 December 2012

Total comprehensive income for the half year ended 31 December 2012

**Balance as at 31 December 2012**

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 half year ended 31 December 2012

## 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 64.50% (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 31 December 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
Add : Addition during the period / year	<b>40,496</b>	-
Less: Repayments during the period/ year	<b>639,054</b>	877,618
	<b>4,903,629</b>	5,502,187
Less: Current portion shown under current liabilities	<b>1,480,659</b>	1,483,747
	<b>3,422,970</b>	4,018,440
<b>Unsecured</b>	<b>-</b>	4,794
	<b>3,422,970</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 662.813 million (30 June 2012: Rupees 657.258 million).

### 6.2 Commitments in respect of:

- (i) Contracts for capital expenditure are Rupees 5.385 million (30 June 2012 : Rupees 117.805 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 491.199 million (30 June 2012: Rupees 265.433 million).

	<b>Un-audited 31 December 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>24,361,223</b>	25,029,089
Leased (Note 7.2)	<b>874,166</b>	899,781
Capital work-in-progress (Note 7.3)	<b>60,028</b>	69,514
	<b>25,295,417</b>	25,998,384



	<b>Un-audited 31 December 2012 (Rupees in thousand)</b>	<b>Audited 30 June 2012</b>
<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>113,462</b>	4,106,922
Add: Transferred from leased assets (Note 7.2)	-	8,195
Less: Reversal of revaluation surplus during the year	-	7,291,505
	<b>25,142,551</b>	27,016,290
Less: Book value of deletions during the period / year (7.1.2)	<b>635</b>	413,169
	<b>25,141,916</b>	26,603,121
Less: Depreciation charged during the period / year	<b>780,693</b>	1,574,032
Closing book value	<b>24,361,223</b>	25,029,089
<b>7.1.1 Cost of additions</b>		
Buildings	<b>10,610</b>	431,732
Plant and machinery	<b>69,026</b>	3,623,828
Service and other equipment	-	11,687
Computer and IT installations	<b>2,739</b>	2,394
Furniture and fixture	<b>5,923</b>	8,843
Office equipment	<b>21,679</b>	1,698
Vehicles	<b>3,485</b>	17,923
Quarry equipment	-	8,817
	<b>113,462</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	<b>635</b>	1,354
	<b>635</b>	413,169
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	<b>899,781</b>	962,220
Less: Transferred to owned assets (Note 7.1)	-	8,195
	<b>899,781</b>	954,025
Less: Depreciation charged during the period / year	<b>25,615</b>	54,244
Closing book value	<b>874,166</b>	899,781

	Un-audited 31 December 2012 (Rupees in thousand)	Audited 30 June 2012
<b>7.3 Capital work-in-progress</b>		
Plant and machinery	34,706	33,880
Un-allocated capital expenditure	1,001	1,001
Advances to suppliers against:		
- purchase of land	2,000	2,000
- civil works	-	3,842
- Furniture and fixture	18,960	17,855
- plant and machinery	1,156	9,237
- vehicles	2,205	1,699
	<b>60,028</b>	69,514
	<b>60,028</b>	69,514
	<b>Un-audited</b>	
	<b>Half year ended</b>	
	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>(Rupees in thousand)</b>	
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit / (loss) before taxation	1,986,731	726,202
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	806,308	1,001,545
Amortization of intangible assets	5,629	6,037
Finance cost	1,279,353	1,683,464
Provision for doubtful debts	5,280	-
Employees' compensated absences	10,649	13,939
Gain on sale of property, plant and equipment	(1,131)	(210)
(Gain) / loss on remeasurement of investment	3,764	(202)
Loss on winding up of subsidiary	-	142
Gain on sale of investment	-	(920,360)
Return on bank deposits	(23,576)	(7,279)
Working capital changes (Note 8.1)	(1,277,479)	(108,122)
	<b>2,795,528</b>	2,395,156
	<b>2,795,528</b>	2,395,156
<b>8.1 Working capital changes</b>		
<b>(Increase)/ decrease in current assets</b>		
<b>Stores, spare parts and loose tools</b>	(230,404)	274,140
Stock-in-trade	(258,473)	260,704
Trade debts	(186,424)	(247,224)
Loans and advances	(34,722)	(18,817)
Security deposits and short term prepayments	18,895	20,525
Short term investments	14,724	-
Other receivables	(71,942)	189,794
	<b>(748,346)</b>	479,122
<b>Decrease in current liabilities</b>		
Trade and other payables	(529,133)	(587,244)
	<b>(1,277,479)</b>	(108,122)
	<b>(1,277,479)</b>	(108,122)



## 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		Un-audited	
	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	(..... Rupees in thousand .....) )			
<b>Other related parties</b>				
Group's contribution to employee's benefits	<b>12,491</b>	19,424	<b>5,755</b>	13,186
Remuneration paid to Chief Executive Officers, Directors and Executives	<b>109,451</b>	100,916	<b>58,587</b>	52,276

## 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 31 January 2013.

## 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)

