

**KTM**  
Kohinoor Textile Mills Limited



BEYOND TEXTILE

Half Yearly Report  
December 31, 2016

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# Company Information

## Board of Directors

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

## Audit Committee

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

## 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. Zeeshan Malik Bhutta

## Auditors

M/s. Riaz Ahmad & Company  
Chartered Accountants

## Legal Adviser

Mr. Muhammad Salman Masood  
Advocate High Court

## Registered Office

42-Lawrence Road, Lahore.  
Tel: (00-92-42) 36302261-62  
Fax: (00-92-42) 36368721

### Share Registrar

Vision Consulting Ltd  
3-C, LDA Flats,  
Lawrence Road, Lahore.  
Tel: (00-92-42) 36283096-97  
Fax: (00-92-42) 36312550  
E-Mail: shares@vcl.com.pk  
Website: www.vcl.com.pk

### Bankers of the Company

Al Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Silk Bank Limited  
The Bank of Punjab  
United Bank Limited

### Mills

- Peshawar Road, Rawalpindi  
Tel: (00-92-51) 5495328-32 Fax: (00-92-51) 5471795
- 8 K.M., Manga Raiwind Road, District Kasur  
Tel: (00-92-42) 35394133-35 Fax: (00-92-42) 35394132
- Gulyana Road, Gujar Khan, District Rawalpindi  
Tel: (00-92-513) 564472-74 Fax: (00-92-513) 564337

### Website

[www.kmlg.com](http://www.kmlg.com)

**Note:** KTML'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 31 December 2016, duly reviewed by the Auditors, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

### REVIEW OF OPERATIONS

In the previous quarter, the performance of the Company's Spinning divisions improved, due mainly to competitively priced raw material and favourable energy costs. The improvement in yarn quality and investments made on new equipment already installed, helped improve selling prices. New equipment continues to arrive and be installed and we anticipate further improvements in yarn quality, as well as, lower total energy consumed in the coming quarter. As the improvement in yarn prices is likely to be greater than the increase in energy costs, the financial results of the Company's Spinning divisions will be slightly improved in the third quarter. Timely purchase of raw material has allowed the Company to cover itself through the current financial year.

The Weaving division's new equipment is now operating at good efficiency levels, which should gradually lead to improvements in the bottom line. Plans for further investment to replace older equipment are in place and Letters of Credit are to be established shortly. This will hopefully lead to improved operational efficiencies.

The results of the Home Textiles division dipped due to unfettered competition from neighboring countries; increased energy costs also hurt the Company's bottom line. The government has finally addressed this issue and the long-awaited textile package has been announced. We expect this to have a positive effect on the division's annual results. Investments in new equipment which will allow the Company to increase unit values, is underway and will be accelerated in the coming quarters.

The consolidated financial results of the half-year under review have improved considerably over the corresponding period of 2015, due in large part to excellent dividend income from associated companies.

### FINANCIAL REVIEW

During the period under review, Company's sales increased by 5% to Rs. 8,528 million (2015: Rs. 8,122 million) while cost of sales increased by 8.55% to Rs. 7,161 million (2015: Rs. 6,597 million). This resulted in gross profit of Rs. 1,367 million (2015: Rs. 1,525 million).

Operating profit for the period under review stood at Rs. 1,860 million (2015: Rs. 1,329 million). The Company earned other income of Rs. 1,099 million (2015: Rs. 380 million) resulting in after tax profit of Rs. 1,542 million (2015: Rs. 948 million). Earnings per share for the half year ended 31 December 2016 were Rs. 5.46 against Rs. 3.36 for the same period last year.

### DIVIDEND

Keeping in view the profitability, the Board of Directors has recommended the first interim cash dividend at Rs. 2/- per share of Rs. 10/- each (20%) for the year ending on 30 June 2017.

### ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board



Taufique Sayeed Saigol  
Chief Executive

Lahore  
16 February 2017

# 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 2016 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 2016 and 31 December 2015 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 2016.

## 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 2016 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:  
Mubashar Mehmood

Date: 16 February 2017

ISLAMABAD

# Unconsolidated Condensed Interim Balance Sheet

## As at 31 December 2016

	Note	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
370,000,000 (30 June 2016: 370,000,000)			
ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2016: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up share capital			
282,355,148 (30 June 2016: 282,355,148)			
ordinary shares of Rupees 10 each		2,823,551	2,823,551
Reserves		7,032,014	6,336,788
Total equity		9,855,565	9,160,339
Surplus on revaluation of land and investment properties		3,799,334	3,799,334
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	1,196,911	765,027
Liabilities against assets subject to finance lease		2,491	22,370
Deferred income tax liability		427,472	417,738
		1,626,874	1,205,135
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,627,425	1,320,483
Accrued mark-up		39,657	51,141
Short term borrowings		3,690,581	3,434,394
Current portion of non-current liabilities		247,593	184,891
		5,605,256	4,990,909
<b>TOTAL LIABILITIES</b>		<u>7,232,130</u>	<u>6,196,044</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,887,029</u>	<u>19,155,717</u>

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	7,985,530	7,437,640
Investment properties		1,784,058	1,784,058
Long term investments	8	5,367,089	3,867,089
Long term deposits		59,627	60,042
		<u>15,196,304</u>	<u>13,148,829</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		561,156	518,242
Stock-in-trade		2,657,036	2,203,655
Trade debts		1,134,396	1,039,529
Advances		238,139	205,724
Security deposits and short term prepayments		36,199	27,517
Other receivables		754,731	929,343
Taxation recoverable		27,216	15,110
Short term investments		5,736	838,756
Cash and bank balances		276,116	229,012
		<u>5,690,725</u>	<u>6,006,888</u>
<b>TOTAL ASSETS</b>		<u><u>20,887,029</u></u>	<u><u>19,155,717</u></u>

 DIRECTOR



Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)  
For the half year ended 31 December 2016

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	..... (Rupees in thousand) .....			
SALES	8,528,422	8,122,250	4,362,302	4,172,346
COST OF SALES	(7,161,304)	(6,597,233)	(3,663,218)	(3,352,397)
GROSS PROFIT	1,367,118	1,525,017	699,084	819,949
DISTRIBUTION COST	(281,048)	(331,926)	(157,158)	(167,089)
ADMINISTRATIVE EXPENSES	(224,351)	(191,658)	(117,954)	(98,579)
OTHER EXPENSES	(100,885)	(52,165)	(69,255)	(30,134)
	(606,284)	(575,749)	(344,367)	(295,802)
OTHER INCOME	760,834	949,268	354,717	524,147
	1,099,367	380,037	921,367	340,544
PROFIT FROM OPERATIONS	1,860,201	1,329,305	1,276,084	864,691
FINANCE COST	(133,410)	(172,056)	(68,911)	(89,477)
PROFIT BEFORE TAXATION	1,726,791	1,157,249	1,207,173	775,214
TAXATION				
- Current	(174,766)	(219,334)	(83,510)	(165,812)
- Deferred	(9,734)	10,166	(9,734)	(40,446)
	(184,500)	(209,168)	(93,244)	(206,258)
PROFIT AFTER TAXATION	1,542,291	948,081	1,113,929	568,956
		Restated		Restated
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	5.46	3.36	3.95	2.02

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 2016

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	..... (Rupees in thousand) .....			
PROFIT AFTER TAXATION	1,542,291	948,081	1,113,929	568,956
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,542,291</b>	<b>948,081</b>	<b>1,113,929</b>	<b>568,956</b>

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 2016

	Note	31 December 2016	31 December 2015
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	828,612	657,607
Finance cost paid		(144,894)	(185,373)
Income tax paid		(186,872)	(99,963)
Net decrease / (increase) in long term deposits		415	(2,346)
<b>Net cash generated from operating activities</b>		<b>497,261</b>	<b>369,925</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(777,858)	(530,373)
Interest received		4,022	1,483
Long term investment made		(1,500,000)	-
Short term investments made		(717,072)	(404,584)
Proceeds from sale of property, plant and equipment		29,380	3,941
Proceeds from disposal of investments		1,863,708	373,313
Dividends received		758,163	364,745
<b>Net cash used in investing activities</b>		<b>(339,657)</b>	<b>(191,475)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		513,354	303,386
Short term borrowings - net		256,187	224,869
Repayment of long term financing		(26,539)	(22,212)
Repayment of liabilities against assets subject to finance lease		(12,108)	(10,606)
Dividend paid		(841,394)	(572,091)
<b>Net cash used in financing activities</b>		<b>(110,500)</b>	<b>(76,654)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>47,104</b>	<b>101,796</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>229,012</b>	<b>114,815</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>276,116</b>	<b>216,611</b>

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 2016

	Reserves						Total Equity
	Capital Reserve		Revenue Reserves		Total Reserves		
	Share Premium	General Reserve	Unappropriated Profit	Sub Total			
<b>Balance as at 30 June 2015 - Audited</b>	144,919	1,450,491	3,959,556	5,410,047	5,554,966	8,010,228	
Profit for the half year ended 31 December 2015	-	-	948,081	948,081	948,081	948,081	
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-	-	-	
Total comprehensive income for the half year ended 31 December 2015	-	-	948,081	948,081	948,081	948,081	
<b>Balance as at 31 December 2015 - Un-audited</b>	144,919	1,450,491	4,907,637	6,358,128	6,503,047	8,958,309	
Transaction with owners	-	-	(613,815)	(613,815)	(613,815)	(613,815)	
- final dividend for the year ended 30 June 2015 @ Rupees 250 per share	-	-	(368,289)	(368,289)	(368,289)	(368,289)	
- interim dividend for the year ended 30 June 2016 @ Rupees 150 per share	-	-	(368,289)	(368,289)	(368,289)	(368,289)	
- issuance of bonus shares	-	-	(1,350,393)	(1,350,393)	(1,350,393)	(982,104)	
Profit for the half year ended 30 June 2016	-	-	1,184,134	1,184,134	1,184,134	1,184,134	
Other comprehensive income for the half year ended 30 June 2016	-	-	-	-	-	-	
Total comprehensive income for the half year ended 30 June 2016	-	-	1,184,134	1,184,134	1,184,134	1,184,134	
<b>Balance as at 30 June 2016 - Audited</b>	144,919	1,450,491	4,741,378	6,191,869	6,336,788	9,160,339	
Transaction with owners	-	-	(847,065)	(847,065)	(847,065)	(847,065)	
- final dividend for the year ended 30 June 2016 @ Rupees 300 per share	-	-	1,542,291	1,542,291	1,542,291	1,542,291	
Profit for the half year ended 31 December 2016	-	-	-	-	-	-	
Other comprehensive income for the half year ended 31 December 2016	-	-	1,542,291	1,542,291	1,542,291	1,542,291	
Total comprehensive income for the half year ended 31 December 2016	-	-	1,542,291	1,542,291	1,542,291	1,542,291	
<b>Balance as at 31 December 2016 - Un-audited</b>	144,919	1,450,491	5,436,604	6,887,095	7,032,014	9,855,565	

(Rupees in thousand)

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



CHIEF EXECUTIVE OFFICER

DIRECTOR

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

## For the half year ended 31 December 2016

### 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 Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42 Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and home textile and trading textile products.

### 2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information of the Company for the half year ended 31 December 2016 has been prepared in accordance with the requirements of the 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 preceding audited annual financial statements of the Company for the year ended 30 June 2016.

### 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 2016.

### 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 2016.

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>5. LONG TERM FINANCING</b>		
Secured		
Opening balance	925,496	404,079
Add : Obtained during the period / year	513,354	591,703
	1,438,850	995,782
Less: Repaid during the period / year	26,539	70,286
	1,412,311	925,496
Less: Current portion shown under current liabilities	215,400	160,469
Closing balance	1,196,911	765,027

## 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 2016 except for guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rupees 253.282 million (30 June 2016: Rupees 243.282 million).

### 6.2 Commitments

- a) Letters of credit for capital expenditure amount to Rupees 206.741 million (30 June 2016: Rupees 389.586 million).
- b) Letters of credit other than for capital expenditure amount to Rupees 390.370 million (30 June 2016: Rupees 344.270 million).

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 7.1)	7,342,463	7,125,179
Leased (Note 7.2)	70,521	73,953
Capital work-in-progress (Note 7.3)	572,546	238,508
	7,985,530	7,437,640

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>7.1 Operating fixed assets - owned</b>		
Opening book value	7,125,179	6,470,251
Cost of additions during the period / year (Note 7.1.1)	444,039	1,030,581
	7,569,218	7,500,832
Book value of deletions during the period / year (Note 7.1.2)	(26,432)	(18,693)
	7,542,786	7,482,139
Depreciation charged during the period / year	(200,323)	(356,960)
Closing book value	7,342,463	7,125,179
<b>7.1.1 Cost of additions</b>		
Free hold land	-	125,509
Buildings	77,577	69,701
Plant and machinery	318,289	783,950
Service and other equipment	997	2,770
Computers	6,059	12,454
Furniture and fixture	1,528	1,992
Office equipment	563	2,456
Vehicles	39,026	31,749
	444,039	1,030,581
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	(20,210)	(15,922)
Computer & IT installation	(278)	(111)
Vehicles	(5,944)	(2,660)
	(26,432)	(18,693)
<b>7.2 OPERATING FIXED ASSETS - LEASED</b>		
Opening book value	73,953	81,381
Depreciation charged during the period / year	(3,432)	(7,428)
Closing book value	70,521	73,953
<b>7.3 CAPITAL WORK-IN-PROGRESS</b>		
Civil works and buildings	37,380	78,375
Plant and machinery	412,997	62,736
Advances for capital expenditure	2,625	27,117
Letters of credit	119,544	70,280
	572,546	238,508

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>8. LONG TERM INVESTMENTS</b>		
Subsidiary companies		
Maple Leaf Cement Factory Limited - Quoted (Note 8.1)	2,867,089	2,867,089
Maple Leaf Capital Limited - Un-quoted (Note 8.2)	2,500,000	1,000,000
	<u>5,367,089</u>	<u>3,867,089</u>

8.1 The Company holds 291,410,425 (30 June 2016: 291,410,425) ordinary shares of Rupees 10 each of its subsidiary company, Maple Leaf Cement Factory Limited. Equity held 55.22% (30 June 2016: 55.22%).

8.2 During the period the Company has further invested Rupees 1,500 million in its subsidiary company Maple Leaf Capital Limited. The Company holds 250,000,000 (30 June 2016: 100,000,000) ordinary shares of Rupees 10 each. Equity held 82.93% (30 June 2016: 66.01%).

	Un-audited 31 December 2016 (Rupees in thousand)	Un-audited 31 December 2015
<b>9. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,726,791	1,157,249
Adjustments for non-cash charges and other items:		
Depreciation	203,755	173,990
Finance cost	133,410	172,056
Gain on sale of property, plant and equipment	(3,167)	(1,000)
Gain on remeasurement of fair value of investments at fair value	(949)	(140)
(Gain) / loss on sale of investments	(312,667)	8,937
Dividend Income	(754,146)	(364,745)
Return on bank deposits	(4,022)	(1,483)
Working capital changes (Note 9.1)	(160,393)	(487,257)
	<u>828,612</u>	<u>657,607</u>
<b>9.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(42,914)	(78,195)
Stock-in-trade	(453,381)	(624,937)
Trade debts	(94,867)	42,596
Advances	(32,415)	(39,358)
Security deposits and prepayments	(8,682)	(3,067)
Other receivables	170,595	(42,441)
	<u>(461,664)</u>	<u>(745,402)</u>
Increase in current liabilities:		
Trade and other payables	301,271	258,145
	<u>(160,393)</u>	<u>(487,257)</u>



## 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, 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 2016	31 December 2015	31 December 2016	31 December 2015
(..... Rupees in thousand .....)				
<b>i) Transactions</b>				
<b>Subsidiary companies</b>				
<b>Maple Leaf Cement Factory Limited</b>				
Purchase of goods and services	27,758	8,792	22,680	3,714
Dividend received	728,526	291,410	291,410	291,410
<b>Maple Leaf Capital Limited</b>				
Investment made	1,500,000	-	-	-
Dividend received	-	50,000	-	-
<b>Associated company - Zimpex (Private) Limited</b>				
Dividend paid	162,091	113,740	-	-
<b>Other related parties</b>				
Company's contribution to provident fund trust	21,806	19,109	12,569	9,872
Remuneration of Chief Executive Officer, Directors and Executives	114,762	105,362	65,246	55,846
			Un-audited Half year ended 31 December 2016	Audited Year ended 30 June 2016
			(Rupees in thousand)	
<b>ii) Period end balances</b>				
<b>Maple Leaf Cement Factory Limited - Subsidiary company</b>				
Trade and other payables			30,565	21,311

## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### 11.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements as at 31 December 2016	Level 1	Level 2	Level 3	Total
(..... Rupees in thousand .....) )				
<b>Assets</b>				
Through profit and loss:				
Short term investments	5,736	-	-	5,736
	5,736	-	-	5,736

Recurring fair value measurements as at 30 June 2016	Level 1	Level 2	Level 3	Total
(..... Rupees in thousand .....) )				
<b>Assets</b>				
Through profit and loss:				
Short term investments	838,756	-	-	838,756
	838,756	-	-	838,756

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements as the Company has no investments which are classified under level 3 of fair value hierarchy table.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.”

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers amongst the levels during the period.

### 11.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

## 12. FINANCIAL RISK MANAGEMENT

The Company’s financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statement of the Company for the year ended 30 June 2016.

13. SEGMENT INFORMATION

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	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Company	
	Un-Audited	Half year ended	Un-Audited	Half year ended	Un-Audited	Half year ended	Un-Audited	Half year ended	Un-Audited	Half year ended
	31 December	2015	31 December	2015	31 December	2015	31 December	2015	31 December	2015
SALES:	3,495,716	2,927,949	1,575,976	1,702,420	3,456,730	3,491,881	-	-	8,528,422	8,122,250
EXTERNAL INTER SEGMENT	3,45,888	401,621	555,614	435,975	-	-	(901,502)	(837,596)	-	-
	3,841,604	3,329,570	2,131,590	2,138,395	3,456,730	3,491,881	901,502	(837,596)	8,528,422	8,122,250
COST OF SALES	(3,212,411)	(2,762,882)	(1,978,138)	(1,967,343)	(2,872,257)	(2,704,604)	901,502	837,596	(7,161,304)	(6,597,233)
GROSS PROFIT	629,193	566,688	153,452	171,052	584,473	787,277	-	-	1,367,118	1,525,017
DISTRIBUTION COST	(13,884)	(8,378)	(9,318)	(41,643)	(230,846)	(278,905)	-	-	(281,048)	(321,926)
ADMINISTRATIVE EXPENSES	(69,822)	(59,802)	(78,943)	(66,469)	(75,586)	(65,387)	-	-	(224,357)	(191,658)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(83,706)	(68,180)	(115,261)	(111,112)	(306,432)	(344,292)	-	-	(505,399)	(523,584)
UNALLOCATED INCOME AND EXPENSES	545,487	498,508	38,191	59,940	278,041	442,985	-	-	861,719	1,001,433
FINANCE COST	-	-	-	-	-	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	-	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-
	(133,410)	(100,885)	(52,165)	(77,206)	(133,410)	(100,885)	(133,410)	(100,885)	(172,056)	(152,056)
	38,037	38,037	38,037	38,037	38,037	38,037	38,037	38,037	38,037	38,037
	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)	(209,168)	(209,168)
	680,572	680,572	680,572	680,572	680,572	680,572	680,572	680,572	680,572	680,572
	1542,291	1542,291	1542,291	1542,291	1542,291	1542,291	1542,291	1542,291	1542,291	1542,291
	948,081	948,081	948,081	948,081	948,081	948,081	948,081	948,081	948,081	948,081

(Rupees in thousands)

132. Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2016	2016	2016	2016	2016	2016	2016
TOTAL ASSETS FOR REPORTABLE SEGMENTS	4,660,631	3,756,520	3,354,743	3,565,618	2,793,374	3,248,858	10,808,748	10,570,996
UNALLOCATED ASSETS	-	-	-	-	-	-	10,078,281	8,584,721
TOTAL ASSETS AS PER BALANCE SHEET	-	-	-	-	-	-	20,887,029	19,155,717
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	766,418	835,015	1,442,950	882,664	2,967,316	2,740,144	5,176,684	4,457,823
UNALLOCATED LIABILITIES	-	-	-	-	-	-	2,055,446	1,738,221
TOTAL LIABILITIES AS PER BALANCE SHEET	-	-	-	-	-	-	7,232,130	6,196,044

(Rupees in thousands)

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

#### 14. POST BALANCE SHEET EVENT

Board of Directors of Kohinoor Textile Mills Limited in their meeting held on 16 February 2017 proposed interim dividend of Rs. 2/- per share (20%) of Rs. 10 each.

#### 15. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 16 February 2017.

#### 16. CORRESPONDING FIGURES

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

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

#### 17. 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 PERIOD ENDED  
31 DECEMBER 2016



## Directors' Review on Consolidated Financial Statements

The Directors are pleased to present the unaudited consolidated financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (55.22%), Maple Leaf Capital Limited (82.93%) and Maple Leaf Power Limited (55.22%) (together referred to as Group) for the half year ended 31 December 2016.

### GROUP RESULTS

The Group has earned gross profit of Rupees 6,659 million as compared to Rupees 6,114 million of corresponding period. The Group made after tax profit of Rupees 4,332 million during this period as compared to Rupees 3,163 million during the corresponding period.

### SUBSIDIARY COMPANIES

#### Maple Leaf Cement Factory Limited (MLCFL)

It has earned after tax profit of Rupees 2,694 million during the current period as compared to Rupees 2,342 million during the corresponding period.

#### Maple Leaf Power Limited (MLPL)

Subsidiary Company (MLCFL) has further invested Rupees 1,900 million in equity of Maple Leaf Power Limited and holds 100.00% shares. Total investment now has become Rupees 2,560 million.

#### Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 771 million during the current period as compared to Rupees 87 million during the corresponding period.

The holding company has further invested Rupees 1,500 million in equity of Maple Leaf Capital Limited and holds 82.93% shares (30 Jun 2016: 66.01%). Total investment now has become Rupees 2,500 million.

For and on behalf of the Board



Taufique Sayeed Saigol  
Chief Executive Officer

Lahore  
16 February 2017



# Consolidated Condensed Interim Balance Sheet

## As at 31 December 2016

	Note	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
370,000,000 (30 June 2016: 370,000,000)		3,700,000	3,700,000
ordinary shares of Rupees 10 each			
30,000,000 (30 June 2016: 30,000,000)		300,000	300,000
preference shares of Rupees 10 each			
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up share capital		2,823,551	2,823,551
282,355,148 (30 June 2016: 282,355,148)			
ordinary shares of Rupees 10 each.			
Reserves		14,895,392	12,897,088
Equity attributable to equity holders of the Holding Company		17,718,943	15,720,639
Non-controlling interest		8,995,739	8,100,035
Total equity		<u>26,714,682</u>	<u>23,820,674</u>
Surplus on revaluation of land and investment properties		4,172,620	4,172,620
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	3,112,858	1,692,325
Liabilities against assets subject to finance lease		377,392	501,613
Long term deposits		8,699	6,499
Retirement benefits		112,881	119,783
Deferred income tax liability		3,239,654	3,155,036
		<u>6,851,484</u>	<u>5,475,256</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,864,841	4,567,873
Accrued mark-up		85,694	89,143
Short term borrowings		5,835,001	4,958,320
Current portion of non-current liabilities		497,194	352,410
Provision for taxation		430,074	187,811
		<u>11,712,804</u>	<u>10,155,557</u>
Total liabilities		<u>18,564,288</u>	<u>15,630,813</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>49,451,590</u></u>	<u><u>43,624,107</u></u>

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	27,784,792	25,448,930
Intangible Assets		22,985	-
Investment properties		1,784,058	1,784,058
Long term loans to employees		6,645	5,628
Long term deposits		115,591	115,909
		<b>29,714,071</b>	<b>27,354,525</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		6,919,423	5,901,992
Stock -in- trade		3,520,748	3,076,475
Trade debts		1,901,099	1,606,862
Loans and advances		1,040,703	1,014,891
Security deposits and short term prepayments		169,253	99,248
Accrued interest		1,712	1,857
Other receivables		859,863	1,099,546
Short term investments		4,162,553	2,622,627
Cash and bank balances		1,162,165	846,084
		<b>19,737,519</b>	<b>16,269,582</b>
<b>TOTAL ASSETS</b>		<b>49,451,590</b>	<b>43,624,107</b>

 DIRECTOR

Consolidated Condensed Interim Profit and Loss Account (Un-Audited)  
For the half year ended 31 December 2016

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	..... (Rupees in thousand) .....			
REVENUE	20,422,142	18,973,501	10,736,381	10,062,828
COST OF SALES	(13,762,431)	(12,859,715)	(7,182,786)	(6,567,490)
GROSS PROFIT	6,659,711	6,113,786	3,553,595	3,495,338
DISTRIBUTION COST	(963,296)	(979,214)	(465,925)	(511,346)
ADMINISTRATIVE EXPENSES	(538,682)	(447,531)	(288,564)	(233,937)
OTHER EXPENSES	(423,811)	(237,385)	(242,916)	(138,768)
	(1,925,789)	(1,664,130)	(997,405)	(884,051)
OTHER INCOME	4,733,922	4,449,656	2,556,190	2,611,287
	1,345,078	163,066	825,342	142,903
PROFIT FROM OPERATIONS	6,079,000	4,612,722	3,381,532	2,754,190
FINANCE COST	(238,837)	(488,886)	(120,405)	(220,432)
PROFIT BEFORE TAXATION	5,840,163	4,123,836	3,261,127	2,533,758
PROVISION FOR TAXATION	(1,508,292)	(960,935)	(875,574)	(624,118)
PROFIT AFTER TAXATION	4,331,871	3,162,901	2,385,553	1,909,640
SHARE OF PROFIT ATTRIBUTABLE TO :				
EQUITY HOLDERS OF HOLDING COMPANY	2,845,369	2,027,615	1,549,921	1,186,531
NON CONTROLLING INTEREST	1,486,502	1,135,286	835,632	723,109
	4,331,871	3,162,901	2,385,553	1,909,640
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	10.08	Restated 7.18	Restated 5.49	Restated 4.20

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 2016

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(Rupees in thousand)			
PROFIT AFTER TAXATION	4,331,871	3,162,901	2,385,553	1,909,640
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,331,871</b>	<b>3,162,901</b>	<b>2,385,553</b>	<b>1,909,640</b>
Share of total comprehensive income/ (loss) attributable to:				
Equity holders of Holding Company	2,845,369	2,027,615	154,992,1	1,186,531
Non-controlling interest	1,486,502	1,135,286	835,632	723,109
	4,331,871	3,162,901	2,385,553	1,909,640

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 2016

	Note	31 December 2016	31 December 2015
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	4,853,676	4,016,021
Finance cost paid		(242,067)	(528,085)
Compensated absences paid		(10,864)	(9,153)
Income tax paid		(1,214,794)	(467,821)
Net (increase)/ decrease in long term deposits		1,501	(2,601)
<b>Net cash generated from operating activities</b>		<b>3,387,452</b>	<b>3,008,361</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(3,504,120)	(858,450)
Capital expenditure on intangible assets		(23,006)	-
Short term investments made		(2,852,824)	(2,110,967)
Long term loans to employees		-	(478)
Interest received		14,009	8,068
Proceeds from sale of property, plant and equipment		154,397	40,229
Proceeds from disposal of investments		2,187,663	2,210,344
Dividend received		29,637	62,637
<b>Net cash used in investing activities</b>		<b>(3,994,244)</b>	<b>(648,617)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from long term financing		1,521,046	303,386
Short term borrowings - net		876,678	(94,263)
Repayment of long term financing		(26,539)	(596,956)
Repayment of redeemable capital		-	(750,011)
Repayment of liabilities against assets subject to finance lease		(54,028)	(77,074)
Redemption of preference shares		(15)	-
Dividend paid		(1,394,269)	(817,052)
<b>Net cash (used in)/generated from financing activities</b>		<b>922,873</b>	<b>(2,031,970)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>316,081</b>	<b>327,774</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>846,084</b>	<b>385,861</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1,162,165</b>	<b>713,635</b>

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 2016

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								NON CONTROLLING INTEREST	TOTAL EQUITY
RESERVES				Total Reserves		TOTAL			
SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES		General Reserve	Sub Total				
Share premium	Unappropriated profit								
2,455,262	144,919	1,450,491	8,335,170	97,855,661	9,930,580	12,385,584	6,354,388	18,740,230	
-	-	-	(613,815)	(613,815)	(613,815)	(613,815)	(244,955)	(613,815)	
-	-	-	(613,815)	(613,815)	(613,815)	(613,815)	(244,955)	(858,770)	
-	-	-	2,027,615	2,027,615	2,027,615	2,027,615	1,135,286	3,162,901	
-	-	-	2,027,615	2,027,615	2,027,615	2,027,615	1,135,286	3,162,901	
2,455,262	144,919	1,450,491	9,748,970	11,099,461	11,344,380	13,799,642	7,244,719	21,044,361	
368,289	-	-	(368,289)	(368,289)	(368,289)	(368,289)	-	(368,289)	
-	-	-	(368,289)	(368,289)	(368,289)	(368,289)	(371,590)	(371,590)	
368,289	-	-	(736,578)	(736,578)	(736,578)	(736,578)	(371,590)	(739,879)	
-	-	-	2,288,380	2,288,380	2,288,380	2,288,380	1,226,717	3,514,551	
-	-	-	906	906	906	906	735	1,641	
-	-	-	2,289,286	2,289,286	2,289,286	2,289,286	1,226,906	3,516,192	
2,823,551	144,919	1,450,491	11,301,678	12,752,169	12,897,088	15,720,639	8,100,035	23,820,674	
-	-	-	(847,065)	(847,065)	(847,065)	(847,065)	-	(847,065)	
-	-	-	(847,065)	(847,065)	(847,065)	(847,065)	(590,798)	(590,798)	
-	-	-	(847,065)	(847,065)	(847,065)	(847,065)	(590,798)	(1,437,863)	
-	-	-	2,845,369	2,845,369	2,845,369	2,845,369	1,486,502	4,331,871	
-	-	-	2,845,369	2,845,369	2,845,369	2,845,369	1,486,502	4,331,871	
2,823,551	144,919	1,450,491	13,299,982	14,750,473	14,895,392	17,718,943	8,995,739	26,714,682	

(Rupees in thousand)

Balance as at 30 June 2015

Final dividend @ Rupees 2.5 per share, related to the year ended 30 June 2015  
Dividend paid to non-controlling interest holders

Profit for the half year ended 31 December 2015

Other comprehensive income for the half year ended 31 December 2015

Total comprehensive income for the half year ended 31 December 2015

Balance as at 31 December 2015

Transactions with owners :

- Interim dividend for the year ended 30 June 2016 @ Rupees 150 per share  
- Issuance of bonus shares  
- Dividend paid to non-controlling interest holders

Profit for the half year ended 30 June 2016

Other comprehensive income for the half year ended 30 June 2016

Total comprehensive income for the half year ended 30 June 2016

Balance as at 30 June 2016

Transactions with owners :

- Final dividend for the year ended 30 June 2016 @ Rupees 300 per share  
- Dividend paid to non-controlling interest holders  
Total transactions with owners

Profit for the half year ended 31 December 2016

Other comprehensive income for the half year ended 31 December 2016

Total comprehensive income for the half year ended 31 December 2016

Balance as at 31 December 2016

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 2016

## 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 Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

The Holding Company holds 55.22% (30 June 2016: 55.22%) shares of Maple Leaf Cement Factory Limited and 82.93% (30 June 2016: 66.01%) shares of Maple Leaf Capital Limited and 55.22% (30 June 2016: 55.22%) shares of Maple Leaf Power Limited

### 1.2 Subsidiary Companies

#### 1.2.1 Maple Leaf Cement Factory Limited (MLCFL)

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

#### 1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited (MLCL) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance, 1984 as a public company. The registered office of the Subsidiary is situated at 42-Lawrence Road, Lahore. The principal objects of the Subsidiary are to buy, sell, hold, or otherwise acquire or invest the capital in any sort of financial instruments.

#### 1.2.3 Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited (“the Subsidiary”) was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984. The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to MLCFL.

## 2. BASIS OF PREPARATION

This consolidated condensed interim 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 2016.

### 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 2016.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the company for the year ended 30 June 2016.

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>5. LONG TERM FINANCING</b>		
Secured		
Opening balance	1,852,794	992,836
Add : Obtained during the period / year	1,521,046	1,363,187
Less: Repaid during the period/ year	26,539	503,229
	<u>3,347,301</u>	<u>1,852,794</u>
Less: Current portion shown under current liabilities	234,443	160,469
	<u>3,112,858</u>	<u>1,692,325</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 2016 except for guarantees issued by various commercial banks, in respect of financial and operational obligations of the Group's to various institutions and corporate bodies aggregate to Rupees 722.452 million (30 Jun 2016: Rupees 706.602 million).

#### 6.2 Commitments

- (i) Contracts for capital expenditure are Rupees 2,090.002 million (30 June 2016: Rupees 3,951.157 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 1,608.797 million (30 June 2016: Rupees 1,548.526 million).



	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets:		
Owned (Note 7.1)	23,478,511	23,545,678
Leased (Note 7.2)	440,274	455,459
Capital work-in-progress (Note 7.3)	3,866,007	1,447,793
	<u>27,784,792</u>	<u>25,448,930</u>
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	23,545,678	23,621,130
Add : Cost of additions during the period / year (Note 7.1.1)	1,086,126	1,840,037
Add : Transferred from leased assets (Note 7.2)	-	81,065
	<u>24,631,804</u>	<u>25,542,232</u>
Less : Book value of deletions during the period / year (7.1.2)	176,719	192,079
	<u>24,455,085</u>	<u>25,350,153</u>
Less : Depreciation charged during the period / year	976,574	1,804,475
Closing book value	<u>23,478,511</u>	<u>23,545,678</u>
<b>7.1.1 Cost of additions</b>		
Land	-	125,509
Buildings	148,838	289,013
Plant and machinery	825,032	1,251,172
Service and other equipment	997	6,734
Computer and IT installations	23,173	13,622
Furniture and fixture	6,795	71,640
Office equipment	7,452	2,543
Vehicles	73,839	79,804
	<u>1,086,126</u>	<u>1,840,037</u>
<b>7.1.2 Book value of deletions</b>		
Buildings	72,967	1,854
Plant and machinery	92,178	187,031
Computer and IT installations	767	111
Furniture and fixture	834	23
Office equipment	1,205	-
Quarry equipment	-	67
Vehicles	8,768	2,993
	<u>176,719</u>	<u>192,079</u>

	Un-audited 31 December 2016 (Rupees in thousand)	Audited 30 June 2016
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	455,459	566,890
Less : Transferred to owned assets (Note 7.1)	-	81,065
	455,459	485,825
Less : Depreciation charged during the period / year	15,185	30,366
Closing book value	440,274	455,459
<b>7.3 Capital work-in-progress</b>		
Tangible assets		
Plant and machinery	453,421	67,907
Civil Works	1,213,375	587,417
Mechanical & electrical works	209,637	10,737
Other directly attributable costs	-	35,257
Depreciation	650	145
Security Charges	3,904	-
Salaries & wages	42,032	-
Consultancy	26,774	-
Letters of credit	119,544	70,280
Store held for capitalization	107,585	7,437
Others	38,790	-
Advances to suppliers against:		
Plant and machinery	1,524,719	464,949
Civil works	107,357	144,544
Electrical Items	4,467	33,929
Furniture & fixture	11,043	11,043
Vehicles	1,891	5,891
Others	818	8,257
	3,866,007	1,447,793

	Un-audited 31 December 2016 (Rupees in thousand)	Un-audited 31 December 2015
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	5,840,163	4,123,836
<i>Adjustment for non-cash charges and other items</i>		
Depreciation	991,759	910,109
Amortization of intangible assets	21	-
Finance cost	238,837	488,886
Employees' compensated absences	3,962	6,958
Provision for doubtful debts	-	10,877
Stock in trade written off	-	6,536
Loss on sale of property, plant and equipment	22,102	16,947
(Gain) / Loss on remeasurement of investments at fair values through profit or loss	(562,098)	19,807
Gain on disposal of investment at fair values through profit or loss	(312,667)	(88,507)
Return on bank deposits	(14,119)	(8,165)
Dividend received	(25,620)	(62,637)
Working capital changes (Note 8.1)	(1,328,664)	(1,408,626)
	<u>4,853,676</u>	<u>4,016,021</u>
<b>8.1 Working capital changes</b>		
<i>(Increase)/ decrease in current assets</i>		
Stores, spare parts and loose tools	(1,017,431)	(893,591)
Stock-in-trade	(444,273)	(618,810)
Trade debts	(294,237)	10,810
Loans and advances	(39,369)	(246,763)
Security deposits and short term prepayments	(70,005)	(26,066)
Other receivables	239,683	(27,459)
	<u>(1,625,632)</u>	<u>(1,801,879)</u>
<i>Increase in current liabilities</i>		
Trade and other payables	296,968	393,253
	<u>(1,328,664)</u>	<u>(1,408,626)</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		Un-audited	
	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(..... Rupees in thousand .....)			
Associated company - Zimpex (Private) Limited				
Dividend paid	162,091	113,740	-	113,740
Other related parties				
Group's contribution to employee's benefits	72,718	63,344	38,710	35,747
Remuneration paid to Chief Executive Officers, Directors and Executives	294,535	226,860	148,757	124,272

## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### 11.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this consolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements as at 31 December 2016	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Assets				
Through profit and loss:				
Short term investments	4,162,553	-	-	4,162,553
	4,162,553	-	-	4,162,553
Recurring fair value measurements as at 30 June 2016	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Assets				
Through profit and loss:				
Short term investments	846,084	-	-	846,084
	846,084	-	-	846,084

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements as the Company has no investments which are classified under level 3 of fair value hierarchy table.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1."

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers amongst the levels during the period.

### 11.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

## 12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statement of the Company for the year ended 30 June 2016.

### 13. POST BALANCE SHEET EVENT

Board of Directors of Kohinoor Textile Mills Limited in their meeting held on 16 February 2017 proposed interim dividend of Rs. 2/- per share (20%) of Rs. 10 each, while Board of Director of Maple Leaf Cement Factory Limited in their meeting held on 15 February 2017 proposed interim dividend of Rs. 2/- per share (20%) of Rs. 10 each.

### 14. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 16 February 2017.

### 15. CORRESPONDING FIGURES

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

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

### 16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,

Lahore, Pakistan