

KTM
Kohinoor Textile Mills Limited



BEYOND TEXTILE

Third Quarterly Report
March 31, 2017

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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
PAIR Investment Company Limited
The Bank of Punjab
United Bank Limited

Mills

- Peshawar Road, Rawalpindi
Tel: (00-92-51) 5495328-32 Fax: (00-92-51) 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

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 nine months ended 31 March 2017, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

REVIEW OF OPERATIONS

The third quarter Spinning results showed marked improvement over the performance of the previous quarter which is attributable to increased yarn prices, competitively purchased raw materials and significant improvements in yarn quality due to the Company's investment in new equipment. The up-gradation of the Spinning facilities continues at a steady pace as the Company takes advantage of the government's Long Term Financing Facility (LTFF) scheme. We expect the results of the coming quarter to be similar to those of the period under review despite the entrance of new players into the market for fine-count yarns.

The results of the Weaving division improved in the third quarter, which can be attributed to highly efficient new equipment now operating optimally. The Company is encouraged by the performance of the new equipment and plans are afoot to further invest in the new generation of looms.

The results of the Home Textiles division improved in the third quarter and it is hoped that the new export incentives will play a positive role in helping secure additional orders and counter the aggressive pricing coming out of competing countries. New processing equipment to streamline operations and reduce labour and energy-costs is now beginning to arrive on-site; this should improve the division's bottom-line by the first quarter of the coming year.

It is sincerely hoped that the government will disburse the promised export incentives, as well as, the sales tax refunds due, in a timely manner; this is of paramount importance if the scheme is to achieve its goal of increasing exports.

Dividend income from associated companies is healthy in the period under review and is again expected to be encouraging in the coming quarter.

FINANCIAL REVIEW

During the period under review, Company's sales increased by 6.26% to Rs. 13,129 million (2016: Rs. 12,356 million) while cost of sales increased by 11.34% to Rs. 11,089 million (2016: Rs. 9,960 million). This resulted in gross profit of Rs. 2,040 million (2016: Rs. 2,396 million).

Operating profit for the period under review stood at Rs. 2,817 million (2016: Rs. 2,399 million). The Company earned other income of Rs. 1,702 million (2016: Rs. 869 million) resulting in after tax profit of Rs. 2,339 million (2016: Rs. 1,801 million). Earnings per share for the period ended 31 March 2017 were Rs. 8.28 against Rs. 6.38 for the same period last year.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate the 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
26 April 2017

Unconsolidated Condensed Interim Balance Sheet

As at 31 March 2017

	Note	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		7,263,670	6,336,788
Total equity		10,087,221	9,160,339
Surplus on revaluation of land and investment properties		3,799,334	3,799,334
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	1,284,741	765,027
Liabilities against assets subject to finance lease		-	22,370
Deferred income tax liability		467,635	417,738
		1,752,376	1,205,135
CURRENT LIABILITIES			
Trade and other payables		2,030,718	1,320,483
Accrued mark-up		48,037	51,141
Short term borrowings		3,711,659	3,434,394
Current portion of non-current liabilities		268,503	184,891
		6,058,917	4,990,909
TOTAL LIABILITIES		<u>7,811,293</u>	<u>6,196,044</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>21,697,848</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 March 2017 (Rupees in thousand)	Audited 30 June 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,129,970	7,437,640
Investment properties		1,784,058	1,784,058
Long term investments	8	5,367,089	3,867,089
Long term deposits		57,265	60,042
		<u>15,338,382</u>	<u>13,148,829</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		556,307	518,242
Stock-in-trade		2,549,104	2,203,655
Trade debts		1,195,047	1,039,529
Advances		259,286	205,724
Security deposits and short term prepayments		25,583	27,517
Other receivables		1,476,703	929,343
Taxation recoverable		134,265	15,110
Short term investments		6,897	838,756
Cash and bank balances		156,274	229,012
		<u>6,359,466</u>	<u>6,006,888</u>
TOTAL ASSETS		<u><u>21,697,848</u></u>	<u><u>19,155,717</u></u>


DIRECTOR

Unconsolidated Condensed Interim Profit and Loss Account (UnAudited)
For the nine months ended 31 March 2017

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
 (Rupees in thousand)			
SALES	13,129,355	12,356,291	4,600,933	4,234,041
COST OF SALES	(11,088,955)	(9,960,388)	(3,927,651)	(3,363,155)
GROSS PROFIT	2,040,400	2,395,903	673,282	870,886
DISTRIBUTION COST	(434,493)	(482,643)	(153,445)	(150,717)
ADMINISTRATIVE EXPENSES	(341,301)	(293,908)	(116,950)	(102,250)
OTHER EXPENSES	(149,674)	(89,006)	(48,789)	(36,841)
	(925,468)	(865,557)	(319,184)	(289,808)
OTHER INCOME	1,114,932	1,530,346	354,098	581,078
	1,702,238	869,296	602,871	489,259
PROFIT FROM OPERATIONS	2,817,170	2,399,642	956,969	1,070,337
FINANCE COST	(199,340)	(251,964)	(65,930)	(79,908)
PROFIT BEFORE TAXATION	2,617,830	2,147,678	891,039	990,429
TAXATION				
- Current	(229,276)	(325,353)	(54,510)	(106,019)
- Deferred	(49,897)	(21,114)	(40,163)	(31,280)
	(279,173)	(346,467)	(94,673)	(137,299)
PROFIT AFTER TAXATION	2,338,657	1,801,211	796,366	853,130
		Restated		Restated
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	8.28	6.38	2.82	3.02

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 nine months ended 31 March 2017

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
 (Rupees in thousand)			
PROFIT AFTER TAXATION	2,338,657	1,801,211	796,366	853,130
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,338,657	1,801,211	796,366	853,130

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 nine months ended 31 March 2017

	Note	31 March 2017	31 March 2016
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	1,104,545	931,518
Finance cost paid		(202,444)	(256,808)
Income tax paid		(348,431)	(196,557)
Net decrease / (increase) in long term deposits		2,777	(88)
Net cash generated from operating activities		556,447	478,065
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,041,744)	(857,447)
Interest received		5,645	2,117
Long term investment made		(1,500,000)	-
Short term investments made		(717,072)	(611,883)
Proceeds from sale of property, plant and equipment		35,843	24,448
Proceeds from disposal of investments		1,863,708	473,871
Dividends received		759,648	802,914
Net cash used in investing activities		(593,972)	(165,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		671,340	546,739
Short term borrowings - net		277,265	176,785
Repayment of long term financing		(72,111)	(46,249)
Repayment of liabilities against assets subject to finance lease		(18,273)	(16,164)
Dividend paid		(893,434)	(976,559)
Net cash used in financing activities		(35,213)	(315,448)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(72,738)	(3,363)
CASH AND CASH EQUIVALENTS			
AT THE BEGINNING OF THE PERIOD		229,012	114,815
CASH AND CASH EQUIVALENTS			
AT THE END OF THE PERIOD		156,274	111,452

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 nine months ended 31 March 2017

	Reserves						Total Equity	
	Capital Reserve			Revenue Reserves				
	Share Premium	Reserve for bonus shares	Sub Total	General Reserve	Un-appropriated Profit	Sub Total		Total Reserves
2,455,262	144,919	-	144,919	1,450,491	3,959,556	5,410,047	5,554,966	8,010,228
-	-	-	-	-	1,801,211	1,801,211	1,801,211	1,801,211
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,801,211	1,801,211	1,801,211	1,801,211
-	-	-	-	-	(613,816)	(613,816)	(613,816)	(613,816)
349,875	-	-	-	-	(368,289)	(368,289)	(368,289)	(368,289)
-	-	18,414	18,414	-	(349,875)	(349,875)	(349,875)	-
-	-	-	-	-	(18,414)	(18,414)	-	-
349,875	-	18,414	18,414	-	(1,350,394)	(1,350,394)	(1,331,980)	(982,105)
2,805,137	144,919	18,414	163,333	1,450,491	4,410,373	5,860,864	6,024,197	8,829,334
18,414	-	(18,414)	-	-	-	-	(18,414)	-
-	-	-	-	-	331,005	331,005	331,005	331,005
-	-	-	-	-	-	-	-	-
2,823,551	144,919	-	163,333	1,450,491	4,741,378	6,191,869	6,336,788	9,160,339
-	-	-	-	-	(847,065)	(847,065)	(847,065)	(847,065)
-	-	-	-	-	(564,710)	(564,710)	(564,710)	(564,710)
-	-	-	-	-	(1,411,775)	(1,411,775)	(1,411,775)	(1,411,775)
-	-	-	-	-	2,338,657	2,338,657	2,338,657	2,338,657
-	-	-	-	-	-	-	-	-
2,823,551	144,919	-	163,333	1,450,491	5,668,260	7,118,751	7,263,670	10,087,221

(Rupees in thousand)

Balance as at 30 June 2015 - Audited

Profit for the nine months ended 31 March 2016

Other comprehensive income for the nine months

ended 31 March 2016

Total comprehensive income for the nine months ended 31 March 2016

Transaction with owners

- final dividend of June 2015 @ Rupees 2.50 per share

- interim dividend of June 2016 @ Rupees 1.50 per share

- issuance of 15% bonus shares (95% of 15%)

- transfer to reserve for issuance of bonus shares (5% of 15%)

Balance as at 31 March 2016 - Unaudited

Transaction with owners

- issuance of bonus shares

Profit for the period ended 30 June 2016

Other comprehensive income for the period ended 30 June 2016

Total comprehensive income for the period ended 30 June 2016

Balance as at 30 June 2016 - Audited

Transaction with owners

- final dividend of June 2016 @ Rupees 3.00 per share

- interim dividend of June 2017 @ Rupees 2.00 per share

Profit for the nine months ended 31 March 2017

Other comprehensive income for the nine months

ended 31 March 2017

Total comprehensive income for the nine months

ended 31 March 2017

Balance as at 31 March 2017 - Unaudited

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 nine months ended 31 March 2017

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 nine months ended 31 March 2017 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 March 2017 (Rupees in thousand)	Audited 30 June 2016
5. LONG TERM FINANCING		
Secured		
Opening balance	925,496	404,079
Add : Obtained during the period / year	671,340	591,703
	1,596,836	995,782
Less: Repaid during the period / year	72,111	70,286
	1,524,725	925,496
Less: Current portion shown under current liabilities	239,984	160,469
Closing balance	1,284,741	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 aggregating to Rupees 253.282 million (30 Jun 2016: Rupees 243.282 million).

6.2 Commitments

- a) Letters of credit for capital expenditure amount to Rupees 196.778 million (30 June 2016: Rupees 389.586 million).
- b) Letters of credit other than for capital expenditure amount to Rupees 270.610 million (30 June 2016: Rupees 344.270 million).

	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 7.1)	7,742,273	7,125,179
Leased (Note 7.2)	68,871	73,953
Capital work-in-progress (Note 7.3)	318,826	238,508
	8,129,970	7,437,640

	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
7.1 Operating fixed assets - owned		
Opening book value	7,125,179	6,470,251
Cost of additions during the period / year (Note 7.1)	961,644	1,030,581
	8,086,823	7,500,832
Book value of deletions during the period / year (Note 7.2)	(29,806)	(18,693)
	8,057,017	7,482,139
Depreciation charged during the period / year	(314,744)	(356,960)
	7,742,273	7,125,179
	7,742,273	7,125,179
7.1.1 Cost of additions		
Free hold land	-	125,509
Buildings	109,375	69,701
Plant and machinery	787,007	783,950
Service and other equipment	1,611	2,770
Computers	16,124	12,454
Furniture and fixture	3,023	1,992
Office equipment	576	2,456
Vehicles	43,928	31,749
	961,644	1,030,581
	961,644	1,030,581
7.1.2 Book value of deletions		
Plant and machinery	(20,210)	(15,922)
Computer & IT installation	(335)	(111)
Vehicles	(9,261)	(2,660)
	(29,806)	(18,693)
	(29,806)	(18,693)
7.2 Operating fixed assets - leased		
Opening book value	73,953	81,381
Depreciation charged during the period / year	(5,082)	(7,428)
	68,871	73,953
	68,871	73,953
7.3 Capital work-in-progress		
Civil works and buildings	62,446	78,375
Plant and machinery	173,769	62,736
Advances for capital expenditure	23,918	27,117
Letters of credit	58,693	70,280
	318,826	238,508
	318,826	238,508

	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
8. LONG TERM INVESTMENTS		
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 March 2017	Un-audited 31 March 2016
	(Rupees in thousand)	
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,617,830	2,147,678
Adjustments for non-cash charges and other items:		
Depreciation	319,826	263,958
Finance cost	199,340	251,964
Gain on sale of property, plant and equipment	(6,255)	(8,721)
Gain on remeasurement of fair value of investments at fair value	(2,110)	(29,649)
(Gain) / loss on sale of investments	(312,667)	9,607
Dividend Income	(1,336,968)	(802,914)
Return on bank deposits	(5,645)	(2,117)
Working capital changes (Note 9.1)	(368,806)	(898,288)
	<u>1,104,545</u>	<u>931,518</u>
9.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(38,065)	(93,717)
Stock-in-trade	(345,449)	(361,290)
Trade debts	(155,518)	(35,347)
Advances	(53,562)	(106,578)
Security deposits and prepayments	1,934	2,836
Other receivables	29,960	(333,574)
	<u>(560,700)</u>	<u>(927,670)</u>
Increase in current liabilities:		
Trade and other payables	191,894	29,382
	<u>(368,806)</u>	<u>(898,288)</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	
	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(..... Rupees in thousand)			
Transactions				
Subsidiary companies				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	37,942	19,346	10,184	10,554
Dividend received	728,526	728,526	-	437,116
Maple Leaf Capital Limited				
Investment made	1,500,000	-	-	-
Dividend received	-	50,000	-	-
Associated company - Zimpex (Private) Limited				
Dividend paid	162,091	181,984	-	68,244
Other related parties				
Company's contribution to provident fund trust	33,082	28,930	11,276	9,821
Remuneration of Chief Executive Officer, Directors and Executives	176,911	163,579	62,149	58,217

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 March 2017	Level 1	Level 2	Level 3	Total
(..... Rupees in thousand))				
Assets				
Through profit and loss:				
Short term investments	6,897	-	-	6,897
	6,897	-	-	6,897

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	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	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2016
SALES:										
EXTERNAL INTER SEGMENT	5,388,758	4,423,223	2,563,064	5,370,004	5,136,955	5,370,004	-	-	13,129,355	12,356,291
	555,088	633,780	886,348	633,972	-	1,551	(4,441,436)	(1,269,303)	-	-
	5,943,846	5,057,003	3,489,990	3,197,036	5,136,955	5,371,555	(4,441,436)	(1,269,303)	13,129,355	12,356,291
	(5,023,882)	(4,100,358)	(3,257,366)	(2,941,237)	(4,249,143)	(4,188,096)	1,441,436	1,269,303	(110,889,955)	(99,603,888)
COST OF SALES									2,040,400	2,395,903
GROSS PROFIT	919,964	956,645	232,624	255,799	887,812	1,183,459	-	-	(434,493)	(482,643)
DISTRIBUTION COST	(20,294)	(12,517)	(55,348)	(64,605)	(958,911)	(405,571)	-	-	(341,301)	(293,908)
ADMINISTRATIVE EXPENSES	(111,378)	(93,368)	(116,457)	(99,160)	(134,660)	(101,380)	-	-	(775,794)	(716,551)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(131,612)	(105,885)	(171,805)	(163,765)	(472,377)	(506,901)	-	-	1,264,606	1,619,352
UNALLOCATED INCOME AND EXPENSES	788,352	850,760	60,819	92,034	415,435	676,558	-	-	-	-
FINANCE COST									(199,340)	(251,964)
OTHER EXPENSES									(149,674)	(88,006)
OTHER INCOME									1,702,238	869,296
TAXATION									(279,173)	(346,467)
PROFIT AFTER TAXATION									10,74,051	181,859
									2,338,657	1,801,211

(Rupees in thousands)

13.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company			
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited		
	30 June 2016		30 June 2016		30 June 2016		30 June 2016			
31 March 2017	30 June 2016	31 March 2017	30 June 2016	31 March 2017	30 June 2016	31 March 2017	30 June 2016	31 March 2016		
TOTAL ASSETS FOR REPORTABLE SEGMENTS	4,794,704	3,756,520	3,776,416	3,565,618	3,180,874	3,248,858	11,751,994	10,570,996	9,945,854	8,584,721
UNALLOCATED ASSETS							2,169,784	19,155,717		
TOTAL ASSETS AS PER BALANCE SHEET							5,321,940	4,457,823	2,496,353	1,738,221
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	886,071	835,015	1,484,664	882,664	2,942,205	2,740,144	781,129	6,196,044		
UNALLOCATED LIABILITIES										
TOTAL LIABILITIES AS PER BALANCE SHEET										

(Rupees in thousands)

14. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on April 26, 2017.

15. 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.

16. 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 MARCH 2017

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 nine months ended 31 March 2017.

GROUP RESULTS

The Group has earned gross profit of Rupees 9,821 million as compared to Rupees 9,672 million of corresponding period. The group made after tax profit of Rupees 6,347 million during this period as compared to Rupees 4,827 million during corresponding period.

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has earned after tax profit of Rupees 4,052 million during the current period as compared to Rupees 3,505 million during the corresponding period.

Maple Leaf Power Limited (MLPL)

Subsidiary Company (MLCFL) has further invested Rupees 3,550 million in equity of Maple Leaf Power Limited and holds 100.00% shares, total investment has become Rupees 4,210 million.

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 1,189 million during the current period as compared to Rupees 104 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 has become Rupees 2,500 million.

For and on behalf of the Board



Taufique Sayeed Saigol
Chief Executive Officer

Lahore
26 April 2017

Consolidated Condensed Interim Balance Sheet

As at 31 March 2017

	Note	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016 (Rupees in thousand)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		15,831,181	12,897,088
Equity attributable to equity holders of the Holding Company		18,654,732	15,720,639
Non-controlling interest		9,038,040	8,100,035
Total equity		27,692,772	23,820,674
Surplus on revaluation of land and investment properties		4,172,620	4,172,620
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	4,056,786	1,692,325
Liabilities against assets subject to finance lease		322,653	501,613
Long term deposits		8,699	6,499
Retirement benefits		110,952	119,783
Deferred income tax liability		3,237,285	3,155,036
		<u>7,736,375</u>	<u>5,475,256</u>
CURRENT LIABILITIES			
Trade and other payables		7,108,637	4,567,873
Accrued mark-up		109,496	89,143
Short term borrowings		5,914,793	4,958,320
Current portion of non-current liabilities		529,135	352,410
Provision for taxation		226,910	187,811
		<u>13,888,971</u>	<u>10,155,557</u>
Total liabilities		21,625,346	15,630,813
TOTAL EQUITY AND LIABILITIES		<u>53,490,738</u>	<u>43,624,107</u>

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	29,506,672	25,448,930
Intangible Assets		21,096	-
Investment properties		1,784,058	1,784,058
Long term loans to employees		1,083	5,628
Long term deposits		113,239	115,909
		31,426,148	27,354,525
CURRENT ASSETS			
Stores, spare parts and loose tools		7,321,144	5,901,992
Stock -in- trade		3,545,100	3,076,475
Trade debts		2,137,428	1,606,862
Loans and advances		1,596,381	1,014,891
Security deposits and short term prepayments		207,618	99,248
Accrued interest		1,312	1,857
Other receivables		1,626,105	1,099,546
Short term investments		4,634,079	2,622,627
Cash and bank balances		995,423	846,084
		22,064,590	16,269,582
TOTAL ASSETS		53,490,738	43,624,107

 DIRECTOR

Consolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the nine months ended 31 March 2017

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
 (Rupees in thousand)			
REVENUE	31,316,371	29,272,191	10,894,229	10,298,690
COST OF SALES	(21,495,356)	(19,600,083)	(7,732,925)	(6,740,368)
GROSS PROFIT	9,821,015	9,672,108	3,161,304	3,558,322
DISTRIBUTION COST	(1,397,762)	(1,464,828)	(434,466)	(485,614)
ADMINISTRATIVE EXPENSES	(838,223)	(686,783)	(299,541)	(239,252)
OTHER EXPENSES	(563,088)	(446,941)	(139,277)	(209,556)
	(2,799,073)	(2,598,552)	(873,284)	(934,422)
OTHER INCOME	7,021,942	7,073,556	2,288,020	2,623,900
	1,916,027	249,287	570,949	86,221
PROFIT FROM OPERATIONS	8,937,969	7,322,843	2,858,969	2,710,121
FINANCE COST	(396,378)	(673,998)	(157,541)	(185,112)
PROFIT BEFORE TAXATION	8,541,591	6,648,845	2,701,428	2,525,009
PROVISION FOR TAXATION	(2,194,282)	(1,821,968)	(685,990)	(861,033)
PROFIT AFTER TAXATION	6,347,309	4,826,877	2,015,438	1,663,976
SHARE OF PROFIT ATTRIBUTABLE TO :				
EQUITY HOLDERS OF HOLDING COMPANY	4,165,341	3,134,542	1,319,972	1,106,927
NON CONTROLLING INTEREST	2,181,968	1,692,335	695,466	557,049
	6,347,309	4,826,877	2,015,438	1,663,976
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	14.75	Restated 11.10	4.67	Restated 3.92

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 nine months ended 31 March 2017

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in thousand)			
PROFIT AFTER TAXATION	6,347,309	4,826,877	2,015,438	1,663,976
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,347,309	4,826,877	2,015,438	1,663,976
Share of total comprehensive income attributable to :				
Equity holders of Holding Company	4,165,341	3,134,542	1,319,972	1,106,927
Non-controlling interest	2,181,968	1,692,335	695,466	557,049
	6,347,309	4,826,877	2,015,438	1,663,976

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 nine months ended 31 March 2017

	Note	31 March 2017	31 March 2016
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	7,539,814	7,516,304
Finance cost paid		(373,193)	(713,181)
Compensated absences paid		(19,130)	(16,707)
Income tax paid		(2,106,315)	(560,024)
Net decrease / (increase) in long term deposits		4,870	(376)
Net cash generated from operating activities		5,046,046	6,226,016
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(5,823,425)	(1,444,020)
Capital expenditure on intangible assets		(21,117)	-
Short term investments made		(3,311,689)	(3,166,266)
Interest received		21,147	13,004
Proceeds from sale of property, plant and equipment		170,176	69,117
Proceeds from disposal of investments		2,172,663	3,092,083
Dividend received		31,122	96,586
Net cash used in investing activities		(6,761,123)	(1,339,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from long term financing		2,577,504	1,046,739
Short term borrowings - net		956,475	10,855
Repayment of long term financing		(72,111)	(635,563)
Repayment of redeemable capital		-	(3,433,011)
Repayment of liabilities against assets subject to finance lease		(144,049)	(115,692)
Redemption of preference shares		(478)	-
Dividend paid		(1,452,925)	(1,433,037)
Net cash generated from / (used in) financing activities		1,864,416	(4,559,709)
NET INCREASE IN CASH AND CASH EQUIVALENTS		149,339	326,811
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		846,084	385,861
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		995,423	712,672

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 nine months ended 31 March 2017

Share Capital	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										Non Controlling interest	Total Equity
	RESERVES											
	Capital Reserve		Revenue Reserves			Total Reserves		Total				
	Share Premium	Sub Total	General Reserve	Un-appropriated Profit	Sub Total	Sub Total	Total	Total	Total	Total		
2,455,262	144,919	-	144,919	1,450,491	8,335,170	9,785,661	99,300,580	12,385,842	6,354,388	18,740,230		
-	-	-	-	-	(613,816)	(613,816)	(613,816)	(613,816)	-	(613,816)		
349,875	-	-	-	(368,289)	(368,289)	(368,289)	(368,289)	(368,289)	-	(368,289)		
-	-	18,414	18,414	-	(349,875)	(349,875)	(349,875)	(349,875)	-	(349,875)		
-	-	-	-	-	(18,414)	(18,414)	-	-	(456,478)	(456,478)		
349,875	-	18,414	18,414	-	(1,350,394)	(1,350,394)	(1,331,980)	(982,105)	(456,478)	(1,438,583)		
-	-	-	-	-	3,134,542	3,134,542	3,134,542	3,134,542	1,692,335	4,826,877		
-	-	-	-	-	3,134,542	3,134,542	3,134,542	3,134,542	1,692,335	4,826,877		
2,805,137	144,919	18,414	163,333	1,450,491	10,119,318	11,569,809	11,733,142	14,538,279	7,590,245	22,128,524		
18,414	-	(18,414)	-	-	-	-	(18,414)	-	-	-		
-	-	-	-	-	1181,454	1181,454	1181,454	1181,454	6,691,222	18,505,576		
-	-	-	-	-	906	906	906	906	735	1,641		
-	-	-	-	-	1182,360	1182,360	1182,360	1182,360	6,698,857	18,522,217		
2,823,351	144,919	-	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)	(1,063,436)	(847,065)		
-	-	-	-	-	(564,710)	(564,710)	(564,710)	(564,710)	(1,063,436)	(1,063,436)		
-	-	-	-	-	180,527	180,527	180,527	180,527	(180,527)	(180,527)		
-	-	-	-	-	(1,231,248)	(1,231,248)	(1,231,248)	(1,231,248)	(1,245,963)	(2,475,211)		
-	-	-	-	-	4,165,341	4,165,341	4,165,341	4,165,341	2,181,968	6,347,309		
-	-	-	-	-	4,165,341	4,165,341	4,165,341	4,165,341	2,181,968	6,347,309		
2,823,351	144,919	-	144,919	1,450,491	14,235,771	15,686,262	15,831,181	18,654,732	9,038,040	27,692,772		

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

Balance as at 30 June 2015

Transactions with owners :

- final dividend of 2015 @ Rupees 2.50 per per share
- interim dividend of 2016 @ Rupees 1.50 per per share
- issuance of 15% bonus shares (95% of 15%)
- transfer to reserve for issuance of bonus shares (5% of 15%)
- Dividend paid to non-controlling interest holders

Total transactions with owners

Profit for the nine months ended 31 March 2016

Other comprehensive income for the nine months ended 31 Mar 2016

Total comprehensive income for the half year ended 31 Mar 2016

Balance as at 31 March 2016

Transactions with owners :

- Issuance of bonus shares
- Profit for the period ended 30 June 2016
- Other comprehensive income for period ended 30 Jun 2016
- Total comprehensive income for period ended 30 Jun 2016

Balance as at 30 June 2016

Transactions with owners :

- final dividend of 2016 @ Rupees 30 per per share
- interim dividend of 2017 @ Rupees 2.00 per per share
- Dividend paid to non-controlling interest holders
- increase in interest of equity holders of the Holding Company

Total transactions with owners

Profit for the nine months ended 31 March 2017

Other comprehensive income for the nine months ended 31 Mar 2017

Total comprehensive income for the nine months ended 31 Mar 2017

Balance as at 31 March 2017



CHIEF EXECUTIVE OFFICER

DIRECTOR

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited) For the nine months ended 31 March 2017

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 March 2017 (Rupees in thousand)	Audited 30 June 2016
5. LONG TERM FINANCING		
Secured		
Opening balance	1,852,794	992,836
Add : Obtained during the period / year	2,577,504	1,363,187
Less: Repaid during the period/ year	72,111	503,229
	<u>4,358,187</u>	<u>1,852,794</u>
Less: Current portion shown under current liabilities	234,443	160,469
	<u>4,123,744</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 727.132 million (30 Jun 2016: Rupees 706.602 million).

6.2 Commitments

- Contracts for capital expenditure are Rupees 1,145.326 million (30 June 2016: Rupees 3,951.157 million).
- Letters of credit other than for capital expenditure amount to Rupees 9,761.681 million (30 June 2016: Rupees 1,548.526 million).

	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 7.1)	23,779,512	23,545,678
Leased (Note 7.2)	433,225	455,459
Capital work-in-progress (Note 7.3)	5,293,935	1,447,793
	29,506,672	25,448,930
7.1 Operating fixed assets - owned		
Opening book value	23,545,678	23,621,130
Add : Cost of additions during the period / year (Note 7.1)	1,899,948	1,840,037
Add : Transferred from leased assets (Note 7.2)	-	81,065
	25,445,626	25,542,232
Less : Book value of deletions during the period / year (7.1.2)	187,382	192,079
	25,258,244	25,350,153
Less : Depreciation charged during the period / year	1,478,732	1,804,475
Closing book value	23,779,512	23,545,678
7.1.1 Cost of additions		
Land	-	125,509
Buildings	211,348	289,013
Plant and machinery	1,537,028	1,251,172
Service and other equipment	1,611	6,734
Computer and IT installations	43,638	13,622
Furniture and fixture	12,162	71,640
Office equipment	11,886	2,543
Vehicles	82,275	79,804
	1,899,948	1,840,037
7.1.2 Book value of deletions		
Buildings	73,056	1,854
Plant and machinery	98,802	187,031
Computer and IT installations	824	111
Furniture and fixture	834	23
Office equipment	1,205	-
Quarry equipment	-	67
Vehicles	12,661	2,993
	187,382	192,079

	Un-audited 31 March 2017 (Rupees in thousand)	Audited 30 June 2016
7.2 Operating fixed assets - leased		
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	22,234	30,366
Closing book value	433,225	455,459
7.3 Capital work-in-progress		
Tangible assets		
Plant and machinery	219,104	67,907
Civil Works	1,494,958	587,417
Mechanical & electrical works	389,215	10,737
Other directly attributable costs	-	35,257
Depreciation	901	145
Security Charges	5,632	-
Salaries & wages	54,705	-
Consultancy	53,072	-
Letters of credit	58,693	70,280
Store held for capitalization	98,982	7,437
Others	51,702	-
Advances to suppliers against:		
Plant and machinery	2,477,224	464,949
Civil works	226,166	144,544
Electrical Items	5,577	33,929
Furniture & fixture	11,043	11,043
Vehicles	8,366	5,891
Others	92,300	8,257
Unallocated capital expenditure	46,295	-
	5,293,935	1,447,793

	Un-audited 31 March 2017 (Rupees in thousand)	Un-audited 31 March 2016
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	8,541,591	6,648,845
Adjustment for non-cash charges and other items		
Depreciation	1,500,210	1,364,476
Amortization of intangible assets	21	-
Finance cost	395,622	673,998
Employees' compensated absences	14,842	10,681
Provision for doubtful debts	-	10,878
Stock in trade written off	-	9,804
Loss on sale of property, plant and equipment	30,825	38,320
(Gain) / Loss on remeasurement of investments at fair values through profit or loss	(508,055)	31,339
Gain on disposal of investment at fair values through profit or loss	(364,372)	(123,768)
Return on bank deposits	(20,602)	(12,600)
Dividend received	(25,621)	(96,586)
Working capital changes (Note 8.1)	(2,024,647)	(1,039,083)
	<u>7,539,814</u>	<u>7,516,304</u>
8.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(1,419,152)	(771,009)
Stock-in-trade	(468,625)	(97,363)
Trade debts	(530,566)	(264,111)
Loans and advances	(517,045)	(308,371)
Security deposits and short term prepayments	(74,305)	(84,361)
Other receivables	(160,100)	(184,965)
	<u>(3,169,793)</u>	<u>(1,710,180)</u>
Increase in current liabilities		
Trade and other payables	1,145,146	671,097
	<u>(2,024,647)</u>	<u>(1,039,083)</u>

9 SEGMENT INFORMATION

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	Spinning		Weaving		Processing and home textile		Cement		Investments		Power		Elimination of inter-segment transactions		Group	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017	Nine months ended 31 March 2016	31 March 2017
REVENUE	5388798	4423223	2563642	5136955	5370004	18187016	16915900	-	-	-	-	-	-	-	3136371	29272191
EXTERNAL INTERSEGMENT	555088	633780	886348	633972	1551	106738	19346	-	-	-	-	-	-	-	3136371	29272191
COST OF SALES	5943846	5057003	3485990	3197036	5371555	18233754	16935246	-	-	-	-	-	-	-	3136371	29272191
GROSS PROFIT	919964	956645	232624	887812	1183459	7780615	7276205	-	-	-	-	-	-	-	982105	9672108
DISTRIBUTION COST	(20234)	(12517)	(55348)	(64605)	(368911)	(963269)	(982185)	-	-	-	-	-	-	-	(139756)	(1464828)
ADMINISTRATIVE EXPENSES	(11378)	(93363)	(116457)	(99160)	(113466)	(44198)	(367873)	-	-	(25002)	(718)	-	-	-	(838223)	(696783)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(31612)	(105888)	(71805)	(65365)	(472377)	(1404467)	(1350058)	-	-	(25002)	(718)	-	-	-	Q.235988	(251611)
UNALLOCATED INCOME AND EXPENSES	788352	850760	60819	415435	676558	6379148	5926147	-	-	(25002)	(718)	-	-	-	7585030	7520497
FINANCE COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET OPERATING INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED INCOME AND EXPENSES	(396378)	(563088)	(949677)	(1294282)	(1821968)	(2194282)	(2194282)	-	-	-	-	-	-	-	(396378)	(673998)
PROFIT AFTER TAXATION	(396378)	(563088)	(949677)	(1294282)	(1821968)	(2194282)	(2194282)	-	-	-	-	-	-	-	(396378)	(673998)
PROFIT AFTER TAXATION	(396378)	(563088)	(949677)	(1294282)	(1821968)	(2194282)	(2194282)	-	-	-	-	-	-	-	(396378)	(673998)
PROFIT AFTER TAXATION	(396378)	(563088)	(949677)	(1294282)	(1821968)	(2194282)	(2194282)	-	-	-	-	-	-	-	(396378)	(673998)

(Rupees in thousand)

(Rupees in thousand)

9.2 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and home textile		Cement		Investments		Power		Group	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	31 March 2016	30 June 2016	31 March 2016	30 June 2016	31 March 2016	30 June 2016	31 March 2016	30 June 2016	31 March 2016	30 June 2016	31 March 2016	30 June 2016	31 March 2016	30 June 2016
TOTAL ASSETS FOR REPORTABLE SEGMENT	4660631	3796520	3354743	3565618	2793374	3248858	28878948	25750554	4614456	1991670	4168352	884626	44302152	39197846
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	9188586	4426261
TOTAL ASSETS AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	53490738	43624107
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	766418	835015	1442950	882654	2967316	2740144	8219675	3450081	16450	100210	145365	-	13412809	8008114
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	8272537	7622699
TOTAL LIABILITIES AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	21625346	15630813

93 Based on the judgment made by the management, printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

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	
	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(..... Rupees in thousand)			
Associated company - Zimpex (Private) Limited				
Dividend paid	162,091	181,984	-	68,244
Other related parties				
Group's contribution to employee's benefits	126,523	96,006	53,805	32,662
Remuneration paid to Chief Executive Officers, Directors and Executives	632,507	360,548	337,972	133,688

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

11.1 Financial risk factors

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 2016.

11.2 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 March 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand)			
Assets				
Through profit and loss:				
Short term investments	4,634,079	-	-	4,634,079
	4,634,079	-	-	4,634,079

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	2,622,627	-	-	2,622,627
	<u>2,622,627</u>	<u>-</u>	<u>-</u>	<u>2,622,627</u>

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.

11.3 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. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 26 April 2017.

14. 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.

15. 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