



HALF YEARLY REPORT  
31 DECEMBER 2017

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CREATING BRIGHTER  
FUTURE

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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. Shafiq Ahmed Khan	Chairman
Mr. Arif Ijaz	Member
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: (0092-42) 36302261-62  
Fax: (0092-42) 36368721

## Share Registrar

Vision Consulting Ltd  
3-C, LDA Flats, First Floor,  
Lawrence Road, Lahore.  
Tel: (0092-42) 36283096-97  
Fax: (0092-42) 36312550  
E-mail: shares@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  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
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](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, 2017, duly reviewed by the Auditors, in compliance with requirements of Section 237 of the Companies Act, 2017.

### REVIEW OF OPERATIONS

The results of the Company's Spinning Divisions in the quarter under review are similar to those of the previous quarter. Despite raw material price increases, profitability has been maintained and we expect similar results in the third quarter of the 2017-18 financial year.

The Company has covered its raw material needs at competitive prices for the balance of the year. New machinery continues to be received and installed which is resulting in significant quality and productivity improvements.

The results of the Weaving division show some improvement over the previous quarter and it is hoped that this trend will continue. The Company is looking into further diversification of product-mix.

The results of the Home Textiles division in the quarter under review have not been encouraging due to extreme competition from neighbouring countries where the industry is heavily subsidised. Further, punitively high energy costs in the Punjab relative to other provinces has increased the costs of production. Problems have been further exacerbated through non-receipt of export-rebates and sales tax refunds. It is requested that the Government take urgent action to correct the unfair situation.

The Company is investing in more value-addition equipment in this division with the hope of reversing this trend. This equipment has started to arrive and we are hopeful that the coming months will show an improvement in financial results.

### FINANCIAL REVIEW

During the period under review, Company's sales increased by 3.04% to Rs.8,788 million (2016: Rs.8,528 million), while cost of sales increased by 6.16% to Rs.7,602 million (2016: Rs.7,161 million). This resulted in gross profit of Rs.1,186 million (2016: Rs.1,367 million).

Operating profit for the period under review stood at Rs.1,214 million (2016: Rs.1,860 million). The Company made an after tax profit of Rs.760 million (2016: Rs.1,542 million). Earnings per share for the half year ended December 31, 2017 were at Rs.2.61 against Rs. 5.40 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. 1.25 per share of Rs. 10/- each (12.50%) for the year ending on 30 June, 2018.

## RIGHT ISSUE

In order to partially finance the subscription of 12.50% right shares of Maple Leaf Cement Factory Limited, a subsidiary company, the Board of Directors in its meeting held on 17th August, 2017 decided to offer right shares. Accordingly, 6% right shares were offered at a price of Rs. 60/- per share (inclusive of premium of Rs. 50/- per share) and a sum of Rs. 1,016.478 million was raised through right issue. The Directors and Sponsors subscribed their portion of rights. 96.6% of public portion was subscribed by shareholders, whereas the remaining 2.4% of the total right issue was taken up by the underwriters.

## 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 2018

# 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 2017 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 (hereinafter 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 2017 and 31 December 2016 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 2017.

## 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 2017 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 2018

ISLAMABAD

# Unconsolidated Condensed Interim Balance Sheet

As at 31 December 2017

	Note	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2017: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2017: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>			
299,296,456 (30 June 2017: 282,355,148) ordinary shares of Rupees 10 each	5	2,992,964	2,823,551
<b>Reserves</b>		8,460,400	7,276,792
<b>Total equity</b>		11,453,364	10,100,343
<b>Surplus on revaluation of land and investment properties</b>		3,822,453	3,822,453
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	1,299,489	1,295,884
Deferred income tax liability		546,790	480,123
		<u>1,846,279</u>	<u>1,776,007</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,912,370	1,533,803
Accrued mark-up		71,796	44,228
Short term borrowings	7	5,312,337	3,187,866
Current portion of non-current liabilities	8	338,874	278,573
Provision for taxation		161,787	1,569
		<u>7,797,164</u>	<u>5,046,039</u>
<b>Total liabilities</b>		9,643,443	6,822,046
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	9	<u>24,919,260</u>	<u>20,744,842</u>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

	Note	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	8,179,503	8,222,022
Intangible asset under development		12,468	11,974
Investment properties		1,789,670	1,789,670
Long term investments	11	7,734,799	5,367,089
Long term deposits		49,623	56,679
		<u>17,766,063</u>	<u>15,447,434</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		672,516	552,564
Stock-in-trade		2,916,413	2,009,579
Trade debts		1,510,263	1,298,968
Advances		281,767	145,480
Security deposits and prepayments		33,714	34,946
Other receivables	12	1,454,740	1,094,438
Short term investments		27,513	6,498
Cash and bank balances		256,271	154,935
		<u>7,153,197</u>	<u>5,297,408</u>
<b>TOTAL ASSETS</b>		<u><u>24,919,260</u></u>	<u><u>20,744,842</u></u>



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



# Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)

For the half year ended 31 December 2017

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
SALES	8,787,874	8,528,422	4,470,481	4,362,302
COST OF SALES	(7,602,316)	(7,161,304)	(3,856,769)	(3,663,218)
GROSS PROFIT	1,185,558	1,367,118	613,712	699,084
DISTRIBUTION COST	(246,656)	(281,048)	(133,659)	(157,158)
ADMINISTRATIVE EXPENSES	(246,598)	(224,351)	(127,942)	(117,954)
OTHER EXPENSES	(68,961)	(100,885)	(52,608)	(69,255)
	(562,215)	(606,284)	(314,209)	(344,367)
	623,343	760,834	299,503	354,717
OTHER INCOME	590,879	1,099,367	578,591	921,367
PROFIT FROM OPERATIONS	1,214,222	1,860,201	878,094	1,276,084
FINANCE COST	(157,969)	(133,410)	(91,816)	(68,911)
PROFIT BEFORE TAXATION	1,056,253	1,726,791	786,278	1,207,173
TAXATION				
- Current	(229,509)	(174,766)	(159,657)	(83,510)
- Deferred	(66,668)	(9,734)	(53,636)	(9,734)
	(296,177)	(184,500)	(213,293)	(93,244)
PROFIT AFTER TAXATION	760,076	1,542,291	572,985	1,113,929
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	13	Restated 5.40	Restated 1.93	Restated 3.90

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



CHIEF EXECUTIVE OFFICER  
Kohinoor Textile Mills Limited



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the half year ended 31 December 2017

	31 December 2017	31 December 2016
	(Rupees in thousand)	
PROFIT AFTER TAXATION	760,076	1,542,291
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>760,076</b>	<b>1,542,291</b>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Unconsolidated Condensed Interim

## Cash Flow Statement (Un-Audited)

For the half year ended 31 December 2017

	Note	31 December 2017	31 December 2016
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	14	80,339	828,612
Finance cost paid		(130,401)	(144,894)
Income tax paid		(69,290)	(186,872)
Net decrease in long term deposits		7,056	415
<b>Net cash (used in) / generated from operating activities</b>		<b>(112,296)</b>	<b>497,261</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(194,848)	(777,858)
Proceeds from sale of property, plant and equipment		3,843	29,380
Intangible asset under development		(12,468)	-
Long term investment made		(2,367,710)	(1,500,000)
Short term investments made		(673,195)	(717,072)
Proceeds from disposal of investments		668,769	1,863,708
Interest received		5,940	4,022
Dividends received		278	758,163
<b>Net cash used in investing activities</b>		<b>(2,569,391)</b>	<b>(339,657)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of right shares		1,016,478	-
Proceeds from long term financing		203,246	513,354
Repayment of long term financing		(120,642)	(26,539)
Repayment of liabilities against assets subject to finance lease		(18,698)	(12,108)
Short term borrowings - net		2,124,471	256,187
Dividend paid		(421,832)	(841,394)
<b>Net cash from / (used in) financing activities</b>		<b>2,783,023</b>	<b>(110,500)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>101,336</b>	<b>47,104</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>154,935</b>	<b>229,012</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>256,271</b>	<b>276,116</b>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the half year ended 31 December 2017

	Share Capital		Reserves				Total Equity
	Share Capital	Share Premium	Revenue Reserves			Total Reserves	
			General Reserve	Accumulated Profit	Sub Total		
	2,823,551	144,919	1,450,491	4,741,378	6,191,869	6,336,788	9,160,339
(Rupees in thousand)							
Balance as at 30 June 2016 - (Audited)	-	-	-	(847,065)	(847,065)	(847,065)	(847,065)
Transaction with owners:	-	-	-	1,542,291	1,542,291	1,542,291	1,542,291
- final dividend for the year ended 30 June 2016 @ Rupees 3.00 per share	-	-	-	-	-	-	-
- 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 - (Un-Audited)	2,823,551	144,919	1,450,491	5,436,604	6,887,095	7,032,014	9,855,565
Transaction with owners:	-	-	-	(564,710)	(564,710)	(564,710)	(564,710)
- interim dividend for the year ended 30 June 2017 @ Rupees 2.00 per share	-	-	-	-	-	-	-
- Profit for the period ended 30 June 2017	-	-	-	809,488	809,488	809,488	809,488
- Other comprehensive income for the period ended 30 June 2017	-	-	-	-	-	-	-
- Total comprehensive income for the period ended 30 June 2017	-	-	-	-	-	-	-
Balance as at 30 June 2017 - (Audited)	2,823,551	144,919	1,450,491	5,681,382	7,131,873	7,276,792	10,100,343
Transactions with owners:	169,413	847,065	-	(423,533)	(423,533)	(423,533)	(423,533)
- final dividend for the year ended 30 June 2017 @ Rupees 1.50 per share	-	-	-	-	-	-	-
- Issuance of right shares	169,413	847,065	-	(423,533)	(423,533)	(423,532)	592,945
Profit for the half year ended 31 December 2017	-	-	-	760,076	760,076	760,076	760,076
- Other comprehensive income for the half year ended 31 December 2017	-	-	-	-	-	-	-
- Total comprehensive income for the half year ended 31 December 2017	-	-	-	-	-	-	-
Balance as at 31 December 2017 - (Un-Audited)	2,992,964	991,984	1,450,491	6,017,925	7,468,416	8,400,400	11,453,364

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the half year ended 31 December 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 the Companies Act, 2017) 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

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2017.

## 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 2017.

## 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 2017.

## 5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Un-audited 31 December 2017 (Number of shares)	Audited 30 June 2017 (Number of shares)		Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017 (Rupees in thousand)
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
169,182,327	152,241,019	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,691,823	1,522,410
<u>299,296,456</u>	<u>282,355,148</u>		<u>2,992,964</u>	<u>2,823,551</u>

- 5.1 The Board of directors of the Company, in their meeting held on 17 August 2017, approved the issue of 16,941,308 ordinary shares by way of right issue at the rate of 6 shares for every 100 existing shares @ Rupees 60 / share. The Company completed all related matters and legal formalities. The Company had received advances against the issue of right shares from its majority shareholders, and further received subscription money from the general public and the call for the remaining unsubscribed shares of right issue was made to the Company's underwriters and the subscription was received in full. The entire process of allotment of right shares was completed on 06 November 2017 and all the advances received against the issue of shares were adjusted.

	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>6. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	1,553,740	925,496
Add: Obtained during the period / year	203,246	791,624
	<u>1,756,986</u>	<u>1,717,120</u>
Less: Repaid during the period / year	120,642	163,380
	<u>1,636,344</u>	<u>1,553,740</u>
Less: Current portion shown under current liabilities (Note 8)	336,855	257,856
Closing balance	<u>1,299,489</u>	<u>1,295,884</u>
<b>7. SHORT TERM BORROWINGS</b>		
From banking companies - secured	4,802,337	3,187,866
From subsidiary company (Note 7.1)	510,000	-
	<u>5,312,337</u>	<u>3,187,866</u>

7.1 This represents unsecured loan obtained from Maple Leaf Capital Limited carrying interest @ 1% above the three months KIBOR and is repayable within one year from the date of disbursement.

	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>8. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Long term financing (Note 6)	336,855	257,856
Liabilities against assets subject to finance lease	2,019	20,717
	<u>338,874</u>	<u>278,573</u>

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 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 2017.

## 9.2 Commitments

- a) Letters of credit for capital expenditure amount to Rupees 221.302 million (30 June 2017: Rupees 55.454 million).
- b) Letters of credit other than for capital expenditure amount to Rupees 718.920 million (30 June 2017: Rupees 245.281 million).
- c) 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 265.003 million (30 June 2017: Rupees 264.912 million).
- d) Forward contracts amounting to Rupees 276.832 million (30 June 2017: Nil) for purchase of shares of listed companies.

	Un-audited 31 December 2017	Audited 30 June 2017
	(Rupees in thousand)	
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 10.1)	8,087,273	8,050,453
Leased (Note 10.2)	8,991	58,681
Capital work-in-progress (Note 10.3)	83,239	112,888
	8,179,503	8,222,022
<b>10.1 Operating fixed assets - owned</b>		
Opening book value	8,050,453	7,125,179
Add: Cost of additions during the period / year (Note 10.1.1)	236,469	1,362,111
Add: Revaluation of freehold land during the period / year	-	23,119
Add: Transfer from leased assets (Note 10.2)	47,807	8,744
	8,334,729	8,519,153
Less: Book value of deletions during the period / year (Note 10.1.2)	2,705	32,676
	8,332,024	8,486,477
Less: Depreciation charged during the period / year	244,751	436,024
Closing book value	8,087,273	8,050,453



	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>10.1.1 Cost of additions</b>		
Buildings	111	186,588
Plant and machinery	228,536	1,101,839
Service and other equipment	509	1,690
Computers	924	23,175
Furniture and fixture	1,085	3,050
Office equipment	2,120	1,072
Vehicles	3,184	44,697
	<u>236,469</u>	<u>1,362,111</u>
<b>10.1.2 Book value of deletions</b>		
Plant and machinery	937	22,627
Computer & IT installation	117	397
Vehicles	1,616	9,500
Furniture and fixture	-	124
Office equipment	35	28
	<u>2,705</u>	<u>32,676</u>
<b>10.2 Operating fixed assets - leased</b>		
Opening book value	58,681	73,953
Transfer to own assets (Note 10.2.1)	47,807	8,744
	10,874	65,209
Less: Depreciation charged during the period / year	1,883	6,528
Closing book value	<u>8,991</u>	<u>58,681</u>
<b>10.2.1 Book value of transfers</b>		
Plant and machinery	47,807	7,155
Vehicles	-	1,589
	<u>47,807</u>	<u>8,744</u>
<b>10.3 Capital work-in-progress</b>		
Civil works and buildings	5,568	199
Plant and machinery	70,772	103,453
Advances for capital expenditure	6,899	6,899
Letters of credit	-	2,337
	<u>83,239</u>	<u>112,888</u>

	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>11. LONG TERM INVESTMENTS</b>		
Subsidiary companies		
Maple Leaf Cement Factory Limited - Quoted (Note 11.1)	5,234,799	2,867,089
Maple Leaf Capital Limited - Un-quoted (Note 11.2)	2,500,000	2,500,000
	7,734,799	5,367,089

**11.1** During the period, the Company has further invested Rupees 2,367 million in its subsidiary company, Maple Leaf Cement Factory Limited (MLCFL). The Company holds 327,836,727 (30 June 2017: 291,410,425) ordinary shares of Rupees 10 each. Equity held 55.22% (30 June 2017: 55.22%).

**11.2** The Company holds 250,000,000 (30 June 2017: 250,000,000) ordinary shares of Rupees 10 each of its subsidiary company, Maple Leaf Capital Limited. Equity held 82.93% (30 June 2017: 82.93%).

## 12. OTHER RECEIVABLES

**12.1** These include dividend of Rupees 509.97 million (30 June 2017: Nil) and advance of Rupees 171.47 million (30 June 2017: Nil) receivable from MLCFL.

## 13. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
Profit attributable to ordinary shares	760,076	1,542,291	572,985	1,113,929
	..... (Number of shares) .....			
	Restated		Restated	
Weighted average number of ordinary shares	290,823,671	285,739,999	297,147,262	285,739,999
Earnings per share	2.61	5.40	1.93	3.90

- 13.1 As fully disclosed in note 5, the Company issued right shares during the current period. The impact of bonus element due to right issue is accounted for in the weighted average number of ordinary shares outstanding in the current and prior year.
- 13.2 There is no dilution effect on basic earnings per share of the Company.

	Un-audited 31 December 2017 (Rupees in thousand)	Un-audited 31 December 2016
<b>14. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,056,253	1,726,791
Adjustments for non-cash charges and other items:		
Depreciation	246,634	203,755
Finance cost	157,969	133,410
Gain on sale of property, plant and equipment	(1,138)	(3,167)
Loss / (gain) on remeasurement of fair value of investments at fair value	804	(949)
Gain on sale of investments	(17,394)	(312,667)
Dividend income	(510,246)	(754,146)
Return on bank deposits	(5,940)	(4,022)
Working capital changes (Note 14.1)	(846,603)	(160,393)
	<u>80,339</u>	<u>828,612</u>
<b>14.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(119,952)	(42,914)
Stock-in-trade	(906,834)	(453,381)
Trade debts	(211,295)	(94,867)
Advances	(136,287)	(32,415)
Security deposits and prepayments	1,232	(8,682)
Other receivables	149,666	170,595
	<u>(1,223,470)</u>	<u>(461,664)</u>
Increase in current liabilities:		
Trade and other payables	376,867	301,271
	<u>(846,603)</u>	<u>(160,393)</u>

## 15. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
i) Transactions				
Subsidiary companies				
Maple Leaf Cement Factory Limited				
Purchase of goods and services	9,480	27,758	3,564	22,680
Purchase of fixed assets	1,785	-	-	-
Investment made	2,367,710	-	-	-
Dividend received	-	728,526	-	291,410
Maple Leaf Capital Limited				
Investment made	-	1,500,000	-	-
Loan obtained	1,250,000	-	-	-
Loan repaid	740,000	-	-	-
Mark-up on loan	17,978	-	-	-
Other related parties				
Company's contribution to provident fund trust	23,988	21,806	12,642	12,569
Remuneration of Chief Executive Officer, Directors and Executives	136,655	114,762	77,699	65,246
			Un-audited 31 December 2017	Audited 30 June 2017
			(Rupees in thousand)	
ii) Period end balances				
Maple Leaf Cement Factory Limited				
Trade and other payables			-	32,179

## 16. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### 16.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized 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 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
<b>Financial assets</b>				
Through profit and loss:				
Short term investments	27,513	-	-	27,513
	27,513	-	-	27,513

Recurring fair value measurements as at 30 June 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
<b>Financial assets</b>				
Through profit and loss:				
Short term investments	6,498	-	-	6,498
	6,498	-	-	6,498

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.

## 16.2 Valuation techniques used to determine fair values

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

## 17. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### (i) Fair value hierarchy

The judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Investment properties	-	1,789,670	-	1,789,670
Freehold land	-	2,718,966	-	2,718,966
<b>Total non-financial assets</b>	<b>-</b>	<b>4,508,636</b>	<b>-</b>	<b>4,508,636</b>

At 30 June 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Investment properties	-	1,789,670	-	1,789,670
Freehold land	-	2,718,966	-	2,718,966
<b>Total non-financial assets</b>	<b>-</b>	<b>4,508,636</b>	<b>-</b>	<b>4,508,636</b>

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.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

#### Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually and for its freehold land (classified as property, plant and equipment) at least every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

#### Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties at the end of every financial year and for freehold land at least every three years. As at 30 June 2017, the fair values of the investment properties have been determined by Anderson Consulting (Private) Limited and Asrem (Private) Limited. The valuation of freehold land has been performed by Anderson Consulting (Private) Limited as at 30 June 2017.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

18. SEGMENT INFORMATION

18.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Company	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
EXTERNAL INTER-SEGMENT	4,384,570	3,495,716	1,748,077	1,575,976	2,655,227	3,456,730	-	-	8,787,874	8,528,422
	244,273	345,888	649,214	555,614	-	-	(893,487)	(901,502)	8,787,874	8,528,422
	4,628,843	3,841,604	2,397,291	2,131,590	2,655,227	3,456,730	(893,487)	(901,502)	7,602,316	(7,161,304)
	(4,010,260)	(3,212,411)	(2,254,317)	(1,978,138)	(2,231,196)	(2,872,257)	893,487	901,502	1,185,358	1,367,118
GROSS PROFIT	618,553	629,193	142,974	153,452	424,031	584,473	-	-	(246,456)	(281,048)
DISTRIBUTION COST	(17,012)	(13,884)	(98,183)	(84,318)	(191,461)	(230,846)	-	-	(246,456)	(281,048)
ADMINISTRATIVE EXPENSES	(88,784)	(69,822)	(73,282)	(78,943)	(84,532)	(84,532)	-	-	(246,456)	(281,048)
	(105,796)	(83,704)	(111,465)	(115,261)	(275,993)	(306,432)	-	-	(493,254)	(505,399)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	512,757	545,487	31,509	38,191	148,038	278,041	-	-	692,304	861,719
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(68,814)	(109,885)
OTHER INCOME									590,379	1,099,367
FINANCE COST									(157,969)	(133,410)
PROVISION FOR TAXATION									(296,177)	(184,500)
PROFIT AFTER TAXATION									67,772	480,572
									760,076	1,542,291

SALES:

(Rupees in thousands)

18.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017	31 December 2017	30 June 2017	31 December 2017	30 June 2017
TOTAL ASSETS FOR REPORTABLE SEGMENTS	5,430,063	4,665,385	3,867,238	3,313,886	3,169,208	2,912,971	12,466,509	10,872,242
UNALLOCATED ASSETS							12,452,751	9,852,600
TOTAL ASSETS AS PER BALANCE SHEET							24,919,260	20,744,842
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.								
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,244,515	932,919	1,881,942	1,283,415	3,568,468	2,590,431	6,694,925	4,806,765
UNALLOCATED LIABILITIES							2,948,518	2,015,281
							9,643,443	6,822,046

(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.



## 19. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

## 20. POST BALANCE SHEET EVENT

Board of Directors of Kohinoor Textile Mills Limited in their meeting held on 16 February 2018 proposed interim dividend of Rupees 1.25 per share (12.50%) of Rupees 10 each.

## 21. 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 2018.

## 22. 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 statements 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.

## 23. GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



KOHINOOR TEXTILE MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION

FOR THE PERIOD ENDED  
31 DECEMBER 2017



# Directors' Report on Consolidated Financial Statements



The Directors are pleased to present the unaudited consolidated condensed 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 2017.

## GROUP RESULTS

The Group has earned gross profit of Rupees 5,727 million as compared to Rupees 6,659 million of corresponding period. The Group made pretax profit of Rupees 3,897 million during this year as compared to Rupees 5,840 million during the corresponding period.

## SUBSIDIARY COMPANIES

### Maple Leaf Cement Factory Limited (MLCFL)

It has earned after tax profit of Rupees 1,973 million during the current period as compared to Rupees 2,694 million during the corresponding period of previous year.

### Maple Leaf Power Limited (MLPL)

Subsidiary Company (MLCFL) holds 100.00% shares of MLPL. During the period Subsidiary Company MLCFL have further invested Rupees 350 million in shares of MLPL.

### Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 242 million during the current period as compared to Rupees 771 million during the corresponding period of previous year.

Lahore  
February 16, 2018

Taufique Sayeed Saigol  
Chief Executive Officer

# Consolidated Condensed Interim Balance Sheet

As at 31 December 2017

	Note	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2017: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2017: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid up share capital</b> 299,296,456 (30 June 2017: 282,355,148) ordinary shares of Rupees 10 each.	5	2,992,964	2,823,551
<b>Reserves</b>		18,515,754	16,338,523
Equity attributable to equity holders of the Holding Company		21,508,718	19,162,074
Non-controlling interest		12,016,750	9,433,113
<b>Total equity</b>		<u>33,525,468</u>	<u>28,595,187</u>
<b>Surplus on revaluation of land and investment properties</b>		4,183,283	4,183,283
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	5,120,824	4,186,110
Liabilities against assets subject to finance lease		-	270,615
Long term deposits		8,764	8,699
Retirement benefits		144,600	150,778
Deferred income tax liability		3,272,951	3,167,039
		<u>8,547,139</u>	<u>7,783,241</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		7,501,002	5,625,467
Accrued mark-up		182,132	145,693
Short term borrowings		8,566,957	6,326,025
Current portion of non-current liabilities	7	900,584	702,107
Provision for taxation		495,460	476,711
		<u>17,646,135</u>	<u>13,276,003</u>
<b>Total liabilities</b>		<u>26,193,274</u>	<u>21,059,244</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>63,902,025</u>	<u>53,837,714</u>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

	Note	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	39,637,803	31,222,866
Investment properties		1,789,670	1,789,670
Intangibles		33,442	37,180
Long term loans to employees		8,900	5,799
Long term deposits		106,177	113,153
		41,575,992	33,168,668
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		7,797,972	7,303,150
Stock -in- trade		4,053,871	3,310,815
Trade debts		2,797,546	2,239,776
Loans and advances		1,394,544	963,596
Security deposits and short term prepayments		364,317	123,134
Accrued interest		1,289	2,628
Other receivables		1,149,634	1,693,947
Short term investments		3,480,804	3,214,826
Cash and bank balances		1,286,056	1,817,174
		22,326,033	20,669,046
<b>TOTAL ASSETS</b>		63,902,025	53,837,714



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Consolidated Condensed Interim Profit and Loss Account (Un-Audited)

For the half year ended 31 December 2017

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
REVENUES	21,056,673	20,422,142	10,944,702	10,736,381
COST OF SALES	(15,329,534)	(13,762,431)	(8,015,866)	(7,182,786)
GROSS PROFIT	5,727,139	6,659,711	2,928,836	3,553,595
DISTRIBUTION COST	(855,765)	(963,296)	(476,618)	(465,925)
ADMINISTRATIVE EXPENSES	(585,219)	(538,682)	(287,536)	(288,564)
OTHER EXPENSES	(337,047)	(423,811)	(196,501)	(242,916)
	(1,778,031)	(1,925,789)	(960,655)	(997,405)
OTHER INCOME	3,949,108	4,733,922	1,968,181	2,556,190
	418,711	1,345,078	252,593	825,342
PROFIT FROM OPERATIONS	4,367,819	6,079,000	2,220,774	3,381,532
FINANCE COST	(470,499)	(238,837)	(261,152)	(120,405)
PROFIT BEFORE TAXATION	3,897,320	5,840,163	1,959,622	3,261,127
PROVISION FOR TAXATION	(1,045,935)	(1,508,292)	(520,871)	(875,574)
PROFIT AFTER TAXATION	2,851,385	4,331,871	1,438,751	2,385,553
SHARE OF PROFIT ATTRIBUTABLE TO :				
EQUITY HOLDERS OF HOLDING COMPANY	1,753,699	2,845,369	863,122	1,549,921
NON CONTROLLING INTEREST	1,097,686	1,486,502	575,629	835,632
	2,851,385	4,331,871	1,438,751	2,385,553
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	6.03	Restated 9.96	2.90	Restated 5.42

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the half year ended 31 December 2017

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
PROFIT AFTER TAXATION	2,851,385	4,331,871	1,438,751	2,385,553
OTHER COMPREHENSIVE INCOME				
Items that will not be classified 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>2,851,385</b>	<b>4,331,871</b>	<b>1,438,751</b>	<b>2,385,553</b>
Share of total comprehensive income attributable to :				
Equity holders of Holding Company	1,753,699	2,845,369	863,122	1,549,921
Non-controlling interest	1,097,686	1,486,502	575,629	835,632
	<b>2,851,385</b>	<b>4,331,871</b>	<b>1,438,751</b>	<b>2,385,553</b>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



# Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the half year ended 31 December 2017

	Note	31 December 2017	31 December 2016
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	5,473,267	4,853,676
Finance cost paid		(452,038)	(242,067)
Compensated absences paid		(10,875)	(10,864)
Income tax paid		(924,059)	(1,214,794)
Net decrease in long term deposits		3,940	1,501
<b>Net cash generated from operating activities</b>		<b>4,090,235</b>	<b>3,387,452</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(9,603,448)	(3,504,120)
Intangible assets under development		(12,468)	(23,006)
Interest received		14,555	14,009
Proceeds from sale of property, plant and equipment		15,813	154,397
Short term investments made		(880,193)	(2,852,824)
Proceeds from disposal of investments		668,769	2,187,663
Dividend received		278	29,637
<b>Net cash used in investing activities</b>		<b>(9,796,694)</b>	<b>(3,994,244)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from long term financing		1,482,531	1,521,046
Short term borrowings (net)		2,240,932	876,678
Repayment of long term financing		(120,642)	(26,539)
Proceeds from right shares		2,890,598	-
Repayment of liabilities against assets subject to finance lease		(499,313)	(54,028)
Redemption of preference shares		(15)	(15)
Dividend paid		(818,750)	(1,394,269)
<b>Net cash generated from financing activities</b>		<b>5,175,341</b>	<b>922,873</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(531,118)</b>	<b>316,081</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>1,817,174</b>	<b>846,084</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1,286,056</b>	<b>1,162,165</b>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

## For the half year ended 31 December 2017

SHARE CAPITAL	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY						NON CONTROLLING INTEREST	TOTAL EQUITY
	RESERVES			TOTAL				
	CAPITAL RESERVE	REVENUE RESERVES		Reserves				
		Share premium	General Reserve	Unappropriated profit	Sub Total	Total Reserves		
2,823,551	144,919	1,450,491	11,301,678	12,752,169	12,897,088	15,720,639	8,100,035	23,920,674
-	-	-	(847,065)	(847,065)	(847,065)	(847,065)	(590,798)	(847,065)
-	-	-	(847,065)	(847,065)	(847,065)	(847,065)	(590,798)	(590,798)
-	-	-	2,845,369	2,845,369	2,845,369	2,845,369	1,486,502	1,486,502
-	-	-	2,845,369	2,845,369	2,845,369	2,845,369	1,486,502	1,486,502
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
-	-	-	(564,710)	(564,710)	(564,710)	(564,710)	(181,762)	(564,710)
-	-	-	181,762	181,762	181,762	181,762	(1,063,456)	(1,063,456)
-	-	-	(382,948)	(382,948)	(382,948)	(382,948)	(1,245,218)	(1,628,166)
-	-	-	6,878	6,878	6,878	6,878	5,578	12,456
-	-	-	1,827,217	1,827,217	1,827,217	1,827,217	1,683,514	3,510,731
-	-	-	(8,016)	(8,016)	(8,016)	(8,016)	(6,500)	(14,516)
-	-	-	1,819,201	1,819,201	1,819,201	1,819,201	1,677,014	3,696,215
2,823,551	144,919	1,450,491	14,743,113	16,193,604	16,338,523	19,162,074	9,433,113	28,595,187
169,413	847,065	-	(423,533)	(423,533)	(423,533)	(423,533)	1,899,692	(423,533)
169,413	847,065	-	(423,533)	(423,533)	(423,533)	(423,533)	1,899,692	(423,533)
-	-	-	1,753,699	1,753,699	1,753,699	1,753,699	1,097,686	2,851,385
-	-	-	1,753,699	1,753,699	1,753,699	1,753,699	1,097,686	2,851,385
2,992,964	991,984	1,450,491	16,073,279	17,523,770	18,515,754	21,508,718	12,016,750	33,525,468

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Balance as at 30 June 2016 - (Audited)

Transactions with owners:

- Final dividend for the year ended 30 June 2016 @ Rupees 3.00 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 - (Un-Audited)

Transactions with owners:

- Interim dividend for the year ended 30 June 2017 @ Rupees 2.00 per share
- Change in equity holders' interest due to further investment
- Dividend paid to non-controlling interest holders

Reversal of revaluation surplus on disposal of land

Profit for the half year ended 30 June 2017

Other comprehensive income for the half year ended 30 June 2017

Total comprehensive income for the half year ended 30 June 2017

Balance as at 30 June 2017 - (Audited)

Transactions with owners:

- Final dividend for the year ended 30 June 2017 @ Rupees 1.5 per share
- Change in equity holders' interest due to further investment
- Dividend paid to non-controlling interest holders

Profit for the half year ended 31 December 2017

Other comprehensive income for the half year ended 31 December 2017

Total comprehensive income for the half year ended 31 December 2017

Balance as at 31 December 2017 - (Un-Audited)

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

For the half year ended 31 December 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 the Companies Act, 2017) and listed on Pakistan Stock Exchange. 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 2017: 55.22%) shares of Maple Leaf Cement Factory Limited and 82.93% (30 June 2017: 82.93%) shares of Maple Leaf Capital Limited and 55.22% (30 June 2017: 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 Act, 2017) as a public company limited by shares and was listed on stock exchange 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 (now the Companies Act, 2017) 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 (now the Companies Act, 2017). 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

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2017.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim 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 2017.

## 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 Group for the year ended 30 June 2017.

## 5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Un-audited 31 December 2017 (Number of shares)	Audited 30 June 2017		Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
169,182,327	152,241,019	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,691,823	1,522,410
<u>299,296,456</u>	<u>282,355,148</u>		<u>2,992,964</u>	<u>2,823,551</u>

- 5.1 The Board of directors of the Holding Company, in their meeting held on 17 August 2017, approved the issue of 16,941,308 ordinary shares by way of right issue at the rate of 6 shares for every 100 existing shares @ Rupees 60 / share. The Holding Company completed all related matters and legal formalities. The Holding Company had received advances against the issue of right shares from its majority shareholders, and further received subscription money from the general public and the call for the remaining unsubscribed shares of right issue was made to the Holding Company's underwriters and the subscription was received in full. The entire process of allotment of right shares was completed on 06 November 2017 and all the advances received against the issue of shares were adjusted.

	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>6. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	4,657,500	1,852,794
Add : Obtained during the period / year	1,482,531	2,968,086
Less: Repaid during the period/ year	120,642	163,380
	6,019,389	4,657,500
Less: Current portion shown under current liabilities	898,565	471,390
	5,120,824	4,186,110
<b>7. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Long term financing (Note 6)	898,565	471,390
Finance lease liabilities	2,019	230,717
	900,584	702,107

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2017 except for the following:

Environmental Protection Agency (EPA), in its order dated 03 December 2017 directed the Subsidiary Company (MLCFL) to halt expansion of its current facilities since no written environmental approval has been granted by the EPA under section 12 (4) of the Pakistan Environmental Protection Act ("Act"). MLCFL had filed writ petition before Honorable Lahore High Court against the impugned order as the management believes that Environmental Impact Assessment (EIA) report filed by MLCFL is deemed to have been approved since no objection was raised by EPA during the prescribed time mentioned in the Act.

In another case before Honorable Supreme Court of Pakistan, the Honorable court in its order dated 30 January 2018 has allowed at their own cost and risk cement companies to resume work on their expansion projects and has directed the Mines and Minerals Department to submit a detailed survey on environmental impact of cement companies operating near Katas Raj lake. However, the expansion project of cement Companies including the MLCFL shall not be made operational without specific approval of the Honorable Supreme Court.

The Honorable Lahore High Court in its order decided the petition in favor of the MLCFL but also directed the Company to maintain status quo till the survey report is shared with the EPA by Mines and Mineral Department. MLCFL's management believes that since the Company's plant site is situated approximately 250Km away from the Katas Raj Lake, the matter before the Supreme court will not have any impact on the Company's expansion project and the ultimate outcome of this case will be in favor of the Company.

8.2 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Group, to various institutions and corporate bodies aggregate to Rupees 764.423 million (30 June 2017: Rupees 748.292 million).

### 8.3 Commitments

- (i) Letter of credit for capital expenditure are Rupees 13,053.594 million (30 June 2017: Rupees 15,438.845 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 718.920 million (30 June 2017: Rupees 1,093.746 million).

	Un-audited 31 December 2017	Audited 30 June 2017
	(Rupees in thousand)	
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 9.1)	29,633,588	24,580,786
Leased (Note 9.2)	358,116	418,292
Capital work-in-progress (Note 9.3)	9,646,099	6,223,788
	39,637,803	31,222,866
<b>9.1 Operating fixed assets - owned</b>		
Opening book value	24,580,786	23,545,678
Add : Cost of additions during the period / year (Note 9.1.1)	6,193,737	3,231,667
Add : Revaluation of freehold land during the period/year	-	23,119
Add : Transferred from leased assets (Note 9.2)	47,807	8,744
	30,822,330	26,809,208
Less : Book value of deletions during the period / year (9.1.2)	18,010	216,059
	30,804,320	26,593,149
Less : Depreciation charged during the period / year	1,170,732	2,012,363
Closing book value	29,633,588	24,580,786

	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>9.1.1 Cost of additions</b>		
Buildings	1,680,332	625,323
Plant and machinery	4,433,774	2,402,132
Service and other equipment	509	10,830
Computer and IT installations	924	23,233
Furniture and fixture	34,813	71,768
Office equipment	2,120	1,072
Vehicles	41,265	97,309
	6,193,737	3,231,667
<b>9.1.2 Book value of deletions</b>		
Land	-	14,248
Buildings	415	72,262
Plant and machinery	10,998	113,098
Computer and IT installations	117	397
Furniture and fixture	35	2,971
Office equipment	35	28
Vehicles	6,410	13,055
	18,010	216,059
<b>9.2 Operating fixed assets - Leased</b>		
Opening book value	418,292	455,459
Less : Transferred to owned assets (Note 9.1)	47,807	8,744
	370,485	446,715
Less : Depreciation charged during the period / year	12,369	28,423
Closing book value	358,116	418,292



	Un-audited 31 December 2017 (Rupees in thousand)	Audited 30 June 2017
<b>9.3 Capital work-in-progress</b>		
<b>Tangible assets</b>		
Land	711,944	-
Plant and machinery	91,772	2,573,936
Civil Works	1,435,213	1,462,427
Mechanical works	65,176	442,293
Electrical works	266,625	174,030
Depreciation	-	3,078
Letters of credit	-	2,337
Store held for capitalization	755,213	166,091
Finance cost	-	144,342
Unallocated capital expenditure	216,842	270,574
Advances to suppliers against:		
Plant and machinery	4,738,196	314,591
Civil works	1,207,341	101,584
Purchase of land	-	550,918
Furniture & fixture	188	11,144
Mechanical items	22,438	-
Electric items	1,493	-
Vehicles	25,821	2,822
Others	107,837	3,621
	9,646,099	6,223,788

	Un-audited 31 December 2017 (Rupees in thousand)	Un-audited 31 December 2016
<b>10. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	3,897,320	5,840,163
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,182,475	991,759
Amortization held to maturity investment	4,232	21
Finance cost	470,499	238,837
Employees' compensated absences	4,697	3,962
Loss on sale of property, plant and equipment	2,198	22,102
Gain on remeasurement of investments at fair values through profit or loss	(17,394)	(562,098)
Gain on disposal of investment at fair values through profit or loss	(18,953)	(312,667)
Return on bank deposits	(13,217)	(14,119)
Dividend received	(277)	(25,620)
Working capital changes (Note 10.1)	(38,313)	(1,328,664)
	5,473,267	4,853,676
<b>10.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(494,822)	(1,017,431)
Stock-in-trade	(743,056)	(444,273)
Trade debts	(557,770)	(294,237)
Loans and advances	(430,948)	(39,369)
Security deposits and short term prepayments	(117,457)	(70,005)
Other receivables	775,840	239,683
	(1,568,213)	(1,625,632)
<b>Increase in current liabilities</b>		
Trade and other payables	1,529,900	296,968
	(38,313)	(1,328,664)

## 11. EARNINGS PER SHARE - BASIC AND DILUTED

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
Profit attributable to ordinary shares	1,753,699	2,845,369	863,122	1,549,921
	..... (Number of shares) .....			
	Restated		Restated	
Weighted average number of ordinary shares	290,823,671	285,739,999	297,147,262	285,739,999
Earnings per share	6.03	9.96	2.90	5.42

11.1 There is no dilution effect on basic earnings per share of the Company.

## 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associated undertakings, directors of the Group and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	..... (Rupees in thousand) .....			
<b>Other related parties</b>				
Group's contribution to employee's benefits	99,305	72,718	45,763	38,710
Remuneration paid to Chief Executive Officers, Directors and Executives	466,524	294,535	241,669	148,757

**13. SEGMENT INFORMATION**

13.1

	Spinning		Weaving		Processing and home textiles		Gement		Investments		Power		Elimination of inter-segment transactions		Group	
	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017	Un-Audited 31 December 2016	Audited 31 December 2017
EXTERNAL	4,384,570	3,975,716	1,748,077	1,575,976	3,456,730	2,655,227	12,268,799	11,893,720	-	-	-	-	902,967	(992,260)	21,056,673	20,422,142
INTERNAL	2,44,273	345,888	649,214	555,614	-	9,480	9,480	27,758	-	-	-	-	902,967	(992,260)	21,056,673	20,422,142
COST OF SALES	4,628,843	3,841,604	2,397,291	2,131,590	3,456,730	2,655,227	12,278,279	11,921,478	-	-	-	-	902,967	(992,260)	(15,399,534)	(13,762,431)
GROSS PROFIT	618,533	629,193	142,974	153,452	424,031	584,473	4,541,381	5,292,893	-	-	-	-	-	-	5,727,139	6,659,711
DISTRIBUTION COST	(17,012)	(13,884)	(38,183)	(36,318)	(230,846)	(197,445)	(609,109)	(662,248)	-	-	-	-	-	-	(855,458)	(845,296)
ADMINISTRATIVE EXPENSES	(88,794)	(69,822)	(73,822)	(78,943)	(84,532)	(84,532)	(302,144)	(278,468)	-	-	-	-	-	-	(585,219)	(5,38,650)
PROFIT BEFORE TAX AND OTHER EXPENSES	(105,796)	(83,706)	(111,445)	(115,261)	(275,973)	(306,432)	(911,253)	(940,716)	(34,560)	(317,288)	(4,135)	(4,135)	-	-	(1,440,984)	(1,501,978)
UNALLOCATED INCOME AND EXPENSES	512,757	545,487	31,509	38,191	148,038	148,038	3,630,328	4,331,877	(34,560)	(317,288)	(4,135)	(4,135)	-	-	4,286,155	5,157,733
FINANCE COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(470,499)	(638,837)
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(337,047)	(423,811)
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	418,711	1,345,078
															(1,045,933)	(1,568,292)
															1,749,170	825,860
															2,851,983	4,331,871

PROFIT AFTER TAXATION

**13.2 Reconciliation of reportable segment assets**

	Spinning		Weaving		Processing and home textiles		Gement		Investments		Power		Group	
	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017	Un-Audited 30 June 2017	Audited 31 December 2017
TOTAL ASSETS FOR REPORTABLE	5,400,063	4,665,385	3,867,238	3,313,886	3,149,200	2,912,971	37,103,633	28,848,538	4,847,319	4,983,220	7,097,786	5,110,832	61,477,247	49,834,842
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	2,494,778	4,002,872
TOTAL ASSETS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	63,902,025	53,837,714
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,384,515	992,979	1,881,942	1,283,415	3,568,468	2,900,431	8,679,020	7,404,003	-	-	-	-	15,373,945	12,270,768
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	10,879,329	8,848,476
TOTAL LIABILITIES AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	26,192,274	21,092,244

## 14. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### 14.1 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 Group 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 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....) )			
<b>Assets</b>				
Through profit and loss:				
Short term investments	3,480,804	-	-	3,480,804
	<u>3,480,804</u>	<u>-</u>	<u>-</u>	<u>3,480,804</u>

Recurring fair value measurements as at 30 June 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....) )			
<b>Assets</b>				
Through profit and loss:				
Short term investments	3,214,826	-	-	3,214,826
	<u>3,214,826</u>	<u>-</u>	<u>-</u>	<u>3,214,826</u>

The Group'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 Group has no investments which are classified under level 3 of fair value hierarchy table.

The Group'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 Group 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.

### 14.2 Valuation techniques used to determine fair values

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

## 15. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### (i) Fair value hierarchy

The judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 31 December 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Investment properties	-	1,789,670	-	-
Freehold land	-	3,134,814	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>4,924,484</b>	<b>-</b>	<b>-</b>

  

At 30 June 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand .....)			
Investment properties	-	1,789,670	-	-
Freehold land	-	3,134,814	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>4,924,484</b>	<b>-</b>	<b>-</b>

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

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.

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for its investment properties at least annually and for its freehold land (classified as property, plant and equipment) at least every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year and for freehold land at least every three years.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

## 16. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2017.

## 17. POST BALANCE SHEET EVENT

Board of Directors of Kohinoor Textile Mills Limited in their meeting held on 16 February 2018 proposed interim dividend of Rupees 1.25 per share (12.5%) of Rupees 10 each, while Board of Director of Maple Leaf Cement Factory Limited in their meeting held on 15 February 2018 proposed interim dividend of Rupees 1.50 per share (15%) of Rupees 10 each.

## 18. 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 2018.

## 19. 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 statements 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.

## 20. GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR







**Kohinoor Textile Mills Limited**

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,  
Lahore, Pakistan