



THIRD QUARTERLY REPORT
31 MARCH 2018

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

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, 2018, in compliance with requirements of Section 237 of the Companies Act, 2017.

REVIEW OF OPERATIONS

In the third quarter, the results of the Company's Spinning divisions improved dramatically, due mainly to timely purchase of raw materials and salutary effects of the considerable investments in new equipment which has led to significant improvements in quality and productivity.

We are hopeful that similar results will be achieved in the final quarter of the year. The Company continues to invest in new equipment which should result in improved profitability in the future.

The results of the Home Textiles division are similar to those of the previous quarter. However, we are hopeful that there will be an improvement going forward due to the positive steps taken with regards to the exchange rate which should make Pakistan more competitive, relative to neighbouring countries. Further, the Company continues to invest in equipment to increase its offerings of higher value added goods.

The results of the Company's Weaving division are also similar to those of the previous quarter but it is hoped these will improve going forward, as a result of favourable shifts in the exchange rate.

It is again hoped that the government will take positive steps to arrange timely release of sales tax refunds and DLTL payments to improve cash flows so further increase in exports can be planned.

FINANCIAL REVIEW

During the period under review, Company's sales increased to Rs.13,168 million (2017: Rs.13,129 million), while cost of sales increased to Rs.11,273 million (2017: Rs.11,089 million). This resulted in gross profit of Rs.1,894 million (2017: Rs.2,040 million).

Operating profit for the period under review stood at Rs.2,130 million (2017: Rs.2,817 million). The Company made an after tax profit of Rs.1,348 million (2017: Rs.2,339 million). Earnings per share for the nine months ended March 31, 2018 were at Rs.4.67 against Rs. 8.20 for the same period last year.

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
25 April 2018

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2018

	Note	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
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>
Issued, subscribed and paid-up share capital			
299,296,456 (30 June 2017: 282,355,148) ordinary shares of Rupees 10 each	5	2,992,964	2,823,551
Reserves		8,673,883	7,276,792
Surplus on revaluation of land and investment properties		3,822,453	3,822,453
Total equity		15,489,300	13,922,796
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,420,075	1,295,884
Deferred income tax liability		565,420	480,123
		1,985,495	1,776,007
CURRENT LIABILITIES			
Trade and other payables	7	1,532,828	1,518,697
Dividend payable		374,121	-
Unclaimed dividend		15,879	15,106
Accrued mark-up short term borrowings		61,787	24,865
Short term borrowings	8	4,560,940	3,187,866
Current portion of non-current liabilities	9	378,710	297,936
Provision for taxation		309,618	1,569
		7,233,883	5,046,039
Total liabilities		9,219,378	6,822,046
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		<u>24,708,678</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 March 2018 (Rupees in thousand)	Audited 30 June 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	8,459,541	8,222,022
Intangible asset under development		12,468	11,974
Investment properties		1,789,670	1,789,670
Long term investments	12	7,734,799	5,367,089
Long term deposits		49,624	56,679
		<u>18,046,102</u>	<u>15,447,434</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		556,555	552,564
Stock-in-trade		2,837,188	2,009,579
Trade debts		1,240,570	1,298,968
Advances		250,217	145,480
Security deposits and prepayments		21,246	34,946
Other receivables	13	1,544,572	1,094,438
Short term investments		7,596	6,498
Cash and bank balances		204,632	154,935
		<u>6,662,576</u>	<u>5,297,408</u>
TOTAL ASSETS		<u><u>24,708,678</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 nine months ended 31 March 2018

		Nine months ended		Quarter ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
..... (Rupees in thousand)					
SALES - Net	14	13,167,519	13,129,355	4,379,645	4,600,933
COST OF SALES		(11,273,046)	(11,088,955)	(3,670,730)	(3,927,651)
GROSS PROFIT		1,894,473	2,040,400	708,915	673,282
DISTRIBUTION COST		(367,315)	(434,493)	(120,659)	(153,445)
ADMINISTRATIVE EXPENSES		(370,369)	(341,301)	(123,771)	(116,950)
OTHER EXPENSES		(143,520)	(149,674)	(74,559)	(48,789)
		(881,204)	(925,468)	(318,989)	(319,184)
OTHER INCOME		1,013,269	1,114,932	389,926	354,098
		1,116,878	1,702,238	525,999	602,871
PROFIT FROM OPERATIONS		2,130,147	2,817,170	915,925	956,969
FINANCE COST		(272,796)	(199,340)	(114,827)	(65,930)
PROFIT BEFORE TAXATION		1,857,351	2,617,830	801,098	891,039
TAXATION					
- Current		(424,375)	(229,276)	(194,866)	(54,510)
- Deferred		(85,296)	(49,897)	(18,628)	(40,163)
		(509,671)	(279,173)	(213,494)	(94,673)
PROFIT AFTER TAXATION		1,347,680	2,338,657	587,604	796,366
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	15	4.67	8.20	1.96	2.79

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 Comprehensive Income (Un-Audited)

For the nine months ended 31 March 2018

	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
 (Rupees in thousand)			
PROFIT AFTER TAXATION	1,347,680	2,338,657	587,604	796,366
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	1,347,680	2,338,657	587,604	796,366

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 nine months ended 31 March 2018

	Note	31 March 2018	31 March 2017
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	706,604	1,104,545
Finance cost paid		(236,419)	(202,444)
Income tax paid		(116,325)	(348,431)
Net decrease in long term deposits		7,055	2,777
Net cash generated from operating activities		360,915	556,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(615,088)	(1,041,744)
Proceeds from sale of property, plant and equipment		8,101	35,843
Intangible asset under development		(494)	-
Long term investment made		(2,367,710)	(1,500,000)
Short term investments made		(1,776,531)	(717,072)
Proceeds from disposal of investments		1,745,212	1,863,708
Interest received		13,021	5,645
Dividends received		509,969	759,648
Net cash used in investing activities		(2,483,520)	(593,972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of right shares		1,016,478	-
Proceeds from long term financing		406,374	671,340
Repayment of long term financing		(180,147)	(72,111)
Repayment of liabilities against assets subject to finance lease		(20,717)	(18,273)
Short term borrowings - net		1,373,074	277,265
Dividend paid		(422,760)	(893,434)
Net cash from / (used in) financing activities		2,172,302	(35,213)
NET INCREASE IN CASH AND CASH EQUIVALENTS		49,697	(72,738)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		154,935	229,012
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		204,632	156,274

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 Nine months ended 31 March 2018

Share Capital	Reserves				Surplus on Revaluation of Land and Investment Properties	Total Equity	
	Capital Reserve 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	3,822,453	12,982,792
-	-	-	(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	1,450,491	5,668,260	7,118,751	7,263,670	3,822,453	13,909,674
-	-	-	13,122	13,122	13,122	-	13,122
-	-	-	-	-	-	-	-
-	-	-	13,122	13,122	13,122	-	13,122
2,823,551	144,919	1,450,491	5,681,382	7,131,873	7,276,792	3,822,453	13,922,796
-	-	-	(423,533)	(423,533)	(423,533)	-	(423,533)
169,413	847,065	-	(374,121)	(374,121)	(374,121)	-	(374,121)
169,413	847,065	-	(797,654)	(797,654)	49,411	-	218,824
-	-	-	1,347,680	1,347,680	1,347,680	-	1,347,680
-	-	-	-	-	-	-	-
-	-	-	1,347,680	1,347,680	1,347,680	-	1,347,680
2,992,964	991,984	1,450,491	6,231,408	7,681,899	8,673,883	3,822,453	15,489,300

(Rupees in thousand)

Balance as at 30 June 2016 - (Audited)

Transaction with owners:

- final dividend for the year ended 30 June 2016 @ Rupees 3.00 per share
- interim dividend for the year ended 30 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 - (Un-Audited)

Profit for the period ended 30 June 2017
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)

Transactions with owners:

- final dividend for the year ended 30 June 2017 @ Rupees 1.50 per share
- interim dividend for the year ended 30 June 2018 @ Rupees 1.25 per share
- issuance of right shares

Profit for the nine months ended 31 March 2018
Other comprehensive income for the Nine months ended 31 March 2018
Total comprehensive income for the Nine months ended 31 March 2018

Balance as at 31 March 2018 - (Un-Audited)

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 nine months ended 31 March 2018

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

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017". Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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 March 2018 (Number of shares)	Audited 30 June 2017 (Number of shares)		Un-audited 31 March 2018 (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 March 2018 (Rupees in thousand)	Audited 30 June 2017
6. LONG TERM FINANCING		
Secured		
Opening balance	1,553,740	925,496
Add: Obtained during the period / year	406,374	791,624
Add: Accrued mark up	18,818	19,363
	1,978,932	1,736,483
Less: Repaid during the period / year	180,147	163,380
	1,798,785	1,573,103
Less: Current portion shown under current liabilities (Note 9)	378,710	277,219
Closing balance	1,420,075	1,295,884
7. TRADE AND OTHER PAYABLES		
Creditors	666,220	734,594
Accrued liabilities	367,900	359,695
Customers deposit -interest free repayable on demand	86,083	81,504
Workers' profit participation fund	198,612	192,514
Workers' welfare fund	40,771	29,172
Due to subsidiary company - MLCFL	-	32,179
Withholding tax payable	8,988	12,533
Provident fund	8,107	7,099
Others	156,147	69,407
	1,532,828	1,518,697
8. SHORT TERM BORROWINGS		
From banking companies - secured	4,050,940	3,187,866
From subsidiary company (Note 8.1)	510,000	-
	4,560,940	3,187,866

8.1 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 March 2018 (Rupees in thousand)	Audited 30 June 2017
9. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	378,710	277,219
Liabilities against assets subject to finance lease	-	20,717
	378,710	297,936

10. CONTINGENCIES AND COMMITMENTS

10.1 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.

10.2 Commitments

- a) Letters of credit for capital expenditure amount to Rupees 140.749 million (30 June 2017: Rupees 55.454 million).
- b) Letters of credit other than for capital expenditure amount to Rupees 460.974 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).

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
11. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 11.1)	8,225,722	8,050,453
Leased (Note 11.2)	-	58,681
Capital work-in-progress (Note 11.3)	233,819	112,888
	8,459,541	8,222,022

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
11.1 Operating fixed assets - owned		
Opening book value	8,050,453	7,125,179
Add: Cost of additions during the period / year (Note 11.1.1)	494,157	1,362,111
Add: Revaluation of freehold land during the period / year	-	23,119
Add: Transfer from leased assets (Note 11.2)	56,632	8,744
	<u>8,601,242</u>	<u>8,519,153</u>
Less: Book value of deletions during the period / year (Note 11.1.2)	4,393	32,676
	<u>8,596,849</u>	<u>8,486,477</u>
Less: Depreciation charged during the period / year	371,127	436,024
Closing book value	<u><u>8,225,722</u></u>	<u><u>8,050,453</u></u>
11.1.1 Cost of additions		
Buildings	658	186,588
Plant and machinery	480,359	1,101,839
Service and other equipment	509	1,690
Computers	3,402	23,175
Furniture and fixture	1,293	3,050
Office equipment	3,162	1,072
Vehicles	4,774	44,697
	<u>494,157</u>	<u>1,362,111</u>
11.1.2 Book value of deletions		
Plant and machinery	1,952	22,627
Computer & IT installation	172	397
Vehicles	2,234	9,500
Furniture and fixture	-	124
Office equipment	35	28
	<u>4,393</u>	<u>32,676</u>

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
11.2 Operating fixed assets - leased		
Opening book value	58,681	73,953
Transfer to own assets (Note 11.2.1)	56,632	8,744
	<u>2,049</u>	<u>65,209</u>
Less: Depreciation charged during the period / year	2,049	6,528
Closing book value	<u>-</u>	<u>58,681</u>
11.2.1 Book value of transfers		
Plant and machinery	56,632	7,155
Vehicles	-	1,589
	<u>56,632</u>	<u>8,744</u>
11.3 Capital work-in-progress		
Civil works and buildings	13,447	199
Plant and machinery	212,852	103,453
Advances for capital expenditure	7,520	6,899
Letters of credit	-	2,337
	<u>233,819</u>	<u>112,888</u>
12. LONG TERM INVESTMENTS		
Subsidiary companies		
Maple Leaf Cement Factory Limited - Quoted (Note 12.1)	5,234,799	2,867,089
Maple Leaf Capital Limited - Un-quoted (Note 12.2)	2,500,000	2,500,000
	<u>7,734,799</u>	<u>5,367,089</u>
12.1 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%).		

- 12.2 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%).

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
13. OTHER RECEIVABLES		
Sales tax refundable	532,110	780,911
Custom duty receivable	15,989	15,989
Mark up subsidy	3,633	3,633
Export rebate	85,530	95,045
Insurance claims	5,856	4,171
Drawback of taxes and levies	182,760	189,377
Due from MLCFL	221,452	-
Dividend receivable from MLCFL	491,755	-
Others	5,487	5,312
	1,544,572	1,094,438
14. SALES		
Export sales	4,723,293	5,935,037
Local Sales (Note 14.1)	8,286,349	7,111,443
Export rebate	30,731	41,460
Duty draw back	127,146	41,415
	13,167,519	13,129,355
14.1 Local sales	8,292,888	7,116,291
Less: Sales tax	6,539	4,848
	8,286,349	7,111,443

15. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Nine months ended		(Un-audited) Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
 (Rupees in thousand)			
Profit attributable to ordinary shares	1,347,680	2,338,657	587,604	796,366
 (Number of shares)			
	Restated		Restated	
Weighted average number of ordinary shares	288,733,901	285,178,699	299,296,457	285,178,699
Earnings per share	4.67	8.20	1.96	2.79

15.1 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.

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

	Un-audited 31 March 2018	Un-audited 31 March 2017
 (Rupees in thousand)	
16. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,857,351	2,617,830
Adjustments for non-cash charges and other items:		
Depreciation	373,176	319,826
Finance cost	272,796	199,340
Gain on sale of property, plant and equipment	(3,709)	(6,255)
Gain on remeasurement of fair value of investments at fair value	(811)	(2,110)
Loss / (Gain) on sale of investments	31,032	(312,667)
Dividend income	(1,001,724)	(1,336,968)
Return on bank deposits	(13,021)	(5,645)
Working capital changes (Note 16.1)	(808,486)	(368,806)
	706,604	1,104,545

	Un-audited 31 March 2018 (Rupees in thousand)	Un-audited 31 March 2017
16.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(3,991)	(38,065)
Stock-in-trade	(827,609)	(345,449)
Trade debts	58,398	(155,518)
Advances	(104,737)	(53,562)
Security deposits and prepayments	13,700	1,934
Other receivables	41,621	29,960
	(822,618)	(560,700)
Increase in current liabilities:		
Trade and other payables	14,132	191,894
	(808,486)	(368,806)

17. 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:

Transactions

Subsidiary companies

Maple Leaf Cement Factory Limited

Purchase of goods and services	32,533	37,942
Purchase of fixed assets	1,785	-
Investment made	2,367,710	-
Dividend received	509,969	728,526

Maple Leaf Capital Limited

Investment made	-	1,500,000
Loan obtained	1,250,000	-
Loan repaid	740,000	-
Mark-up on loan	27,749	-

Other related parties

Company's contribution to provident fund trust	36,114	33,082
Remuneration of Chief Executive Officer, Directors and Executives	148,785	127,211

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	
	Nine months ended	31 March	Nine months ended	31 March	Nine months ended	31 March	Nine months ended	31 March	Nine months ended	31 March
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
SALES:										
EXTERNAL INTER-SEGMENT	6,622,653	5,889,759	2,625,104	2,603,452	3,919,964	5,136,955	-	-	13,167,519	13,129,355
	(6,655,763)	(555,088)	(3,754,898)	(3,884,346)	-	-	(1,320,661)	(1,441,436)	13,167,519	13,129,355
COST OF SALES	6,988,714	5,843,886	3,670,002	3,869,990	3,919,964	5,136,955	(1,320,661)	(1,441,436)	(11,273,349)	(11,088,955)
	(6,755,142)	(6,023,882)	(3,349,860)	(3,257,268)	(3,209,565)	(4,249,163)	1,320,661	1,441,436	1,894,473	2,040,400
GROSS PROFIT	1,033,072	919,964	230,942	232,624	630,459	887,812	-	-	(967,315)	(434,493)
DISTRIBUTION COST	(23,960)	(20,234)	(69,510)	(65,248)	(283,825)	(558,911)	-	-	(370,369)	(341,301)
ADMINISTRATIVE EXPENSES	(134,981)	(111,378)	(111,273)	(124,115)	(124,115)	(113,466)	-	-	(737,684)	(775,794)
	(158,961)	(131,612)	(170,783)	(171,809)	(407,940)	(472,377)	-	-	1,156,789	1,264,606
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	874,111	788,352	60,159	60,819	222,519	415,435	-	-	(149,520)	(149,520)
UNALLOCATED INCOME AND EXPENSES									1,114,938	1,702,238
OTHER INCOME									(272,796)	(199,340)
FINANCE COST									(509,671)	(279,173)
PROVISION FOR TAXATION									190,891	1,074,051
PROFIT AFTER TAXATION									1,347,680	2,338,657

(Rupees in thousands)

18.2. Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited		Audited		Un-audited		Audited	
	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June
	2018	2017	2018	2017	2018	2017	2018	2017
TOTAL ASSETS FOR REPORTABLE SEGMENTS UNALLOCATED ASSETS	5,319,674	4,665,385	3,762,600	3,313,886	3,313,188	2,912,971	12,395,462	10,892,242
							12,313,216	9,852,600
TOTAL ASSETS AS PER BALANCE SHEET							24,708,678	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 UNALLOCATED LIABILITIES	1,110,809	932,919	1,724,626	1,283,415	3,407,209	2,590,431	6,242,644	4,806,765
							2,976,734	2,015,281
							9,219,378	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. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

19.1 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 March 2018	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand))			
Financial assets				
Through profit and loss:				
Short term investments	7,596	-	-	7,596
	7,596	-	-	7,596
	7,596	-	-	7,596
Recurring fair value measurements as at 30 June 2017	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand))			
Financial assets				
Through profit and loss:				
Short term investments	6,498	-	-	6,498
	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..

19.2 Valuation techniques used to determine fair values

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

20. 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 March 2018	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
Total non-financial assets	-	4,508,636	-	4,508,636

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
Total non-financial assets	-	4,508,636	-	4,508,636

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.

21. 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.

22. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 25 April 2018.

23. CORRESPONDING FIGURES

Corresponding figures have been re-arranged in view of the Fourth Schedule to the Companies Act 2017.

24. 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 MARCH 2018

Directors' Review 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 nine months ended 31 March 2018.

GROUP RESULTS

The Group has earned gross profit of Rupees 8,924 million as compared to Rupees 9,821 million of corresponding year. The group made pretax profit of Rupees 5,695 million this year as compared to Rupees 8,542 million during the last year.

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has earned after tax profit of Rupees 2,854 million during the current period as compared to Rupees 4,052 million during the corresponding period of previous year.

Maple Leaf Power Limited (MLPL)

Subsidiary Company (MLCFL) holds 100.00% shares of MLPL.

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 181 million during the current period as compared to Rupees 1,189 million during the corresponding period of previous year.

Lahore
April 25, 2018



Taufique Sayeed Saigol
Chief Executive Officer

Consolidated Condensed Interim Statement of Financial Position

As at 31 March 2018

	Note	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
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>
Issued, subscribed and paid up share capital 299,296,456 (30 June 2017: 282,355,148) ordinary shares of Rupees 10 each.	5	2,992,964	2,823,551
Reserves		18,836,561	16,338,523
Surplus on revaluation of land and investment properties		4,183,283	4,183,283
Equity attributable to equity holders of the Holding Company		26,012,808	23,345,357
Non-controlling interest		12,134,414	9,433,113
Total equity		<u>38,147,222</u>	<u>32,778,470</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	9,173,504	4,186,110
Liabilities against assets subject to finance lease		-	270,615
Long term deposits		8,714	8,699
Retirement benefits		133,458	150,778
Deferred income tax liability		3,256,153	3,167,039
		12,571,829	7,783,241
CURRENT LIABILITIES			
Trade and other payables	7	7,291,060	5,654,804
Unpaid dividend		772,917	-
Unclaimed dividend		118,373	116,356
Short term borrowings		9,056,998	6,326,025
Current portion of non-current liabilities	8	1,073,356	702,107
Provision for taxation		464,221	476,711
		18,776,925	13,276,003
Total liabilities		<u>31,348,754</u>	<u>21,059,244</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>69,495,976</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 March 2018 (Rupees in thousand)	Audited 30 June 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	43,403,253	31,222,866
Investment properties		1,789,670	1,789,670
Intangibles		31,372	37,180
Long term loans to employees		8,746	5,799
Long term deposits		106,178	113,153
		<u>45,339,219</u>	<u>33,168,668</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		8,998,599	7,303,150
Stock -in- trade		3,974,217	3,310,815
Trade debts		3,000,221	2,239,776
Loans and advances		1,759,209	963,596
Security deposits and short term prepayments		439,855	123,134
Accrued interest		33,615	2,628
Other receivables	11	1,087,007	1,693,947
Short term investments		3,885,257	3,214,826
Cash and bank balances		978,777	1,817,174
		<u>24,156,757</u>	<u>20,669,046</u>
TOTAL ASSETS		<u><u>69,495,976</u></u>	<u><u>53,837,714</u></u>



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the nine months ended 31 March 2018

		Nine months ended		Quarter ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
..... (Rupees in thousand)					
REVENUES	12	32,437,352	31,316,371	11,380,679	10,894,229
COST OF SALES		(23,513,259)	(21,495,356)	(8,183,725)	(7,732,925)
GROSS PROFIT		8,924,093	9,821,015	3,196,954	3,161,304
DISTRIBUTION COST		(1,290,008)	(1,397,762)	(434,243)	(434,466)
ADMINISTRATIVE EXPENSES		(934,889)	(838,223)	(349,670)	(299,541)
OTHER EXPENSES		(571,229)	(563,088)	(234,182)	(139,277)
		(2,796,126)	(2,799,073)	(1,018,095)	(873,284)
OTHER INCOME		6,127,967	7,021,942	2,178,859	2,288,020
		405,556	1,916,027	(13,155)	570,949
PROFIT FROM OPERATIONS		6,533,523	8,937,969	2,165,704	2,858,969
FINANCE COST		(838,088)	(396,378)	(367,589)	(157,541)
PROFIT BEFORE TAXATION		5,695,435	8,541,591	1,798,115	2,701,428
PROVISION FOR TAXATION		(1,632,672)	(2,194,282)	(586,737)	(685,990)
PROFIT AFTER TAXATION		4,062,763	6,347,309	1,211,378	2,015,438
SHARE OF PROFIT ATTRIBUTABLE TO :					
EQUITY HOLDERS OF HOLDING COMPANY		2,448,627	4,165,341	694,928	1,319,972
NON CONTROLLING INTEREST		1,614,136	2,181,968	516,450	695,466
		4,062,763	6,347,309	1,211,378	2,015,438
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	15	8.48	14.75	2.32	4.63

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 nine months ended 31 March 2018

	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
 (Rupees in thousand)			
PROFIT AFTER TAXATION	4,062,763	6,347,309	1,211,378	2,015,438
OTHER COMPREHENSIVE INCOME				
Items that will not be classified to profit or loss	-	-	-	-
Items that may be classified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,062,763	6,347,309	1,211,378	2,015,438
Share of total comprehensive income attributable to:				
Equity holders of Holding Company	2,448,627	4,165,341	694,928	1,319,972
Non-controlling interest	1,614,136	2,181,968	516,450	695,466
	4,062,763	6,347,309	1,211,378	2,015,438

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 nine months ended 31 March 2018

	Note	31 March 2018	31 March 2017
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	6,351,970	7,539,814
Finance cost paid		(779,784)	(373,193)
Compensated absences paid		(32,111)	(19,130)
Income tax paid		(1,558,983)	(2,106,315)
Net decrease in long term deposits		4,043	4,870
Net cash generated from operating activities		3,985,135	5,046,046
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(14,038,096)	(5,823,425)
Intangible assets under development		(494)	(21,117)
Interest received		27,448	21,147
Proceeds from sale of property, plant and equipment		35,218	170,176
Long term investments made		(2,367,710)	-
Short term investments made		(2,855,256)	(3,311,689)
Proceeds from disposal of investments		2,235,397	2,172,663
Dividend received		-	31,122
Net cash used in investing activities		(16,963,493)	(6,761,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from issue of shares other than right		5,258,309	-
Proceed from long term financing		5,769,507	2,577,504
Short term borrowings (net)		2,631,386	956,475
Repayment of long term financing		(180,147)	(72,111)
Repayment of liabilities against assets subject to finance lease		(504,029)	(144,049)
Redemption of preference shares		(15)	(478)
Dividend paid		(835,050)	(1,452,925)
Net cash generated from financing activities		12,139,961	1,864,416
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(838,397)	149,339
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,817,174	846,084
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		978,777	995,423

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the nine months ended 31 March 2018

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 Act 2017) and listed on Pakistan Stock Exchange (PSX). 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 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

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017". Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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 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 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 March 2018 (Number of shares)	Audited 30 June 2017		Un-audited 31 March 2018 (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 March 2018 (Rupees in thousand)	Audited 30 June 2017
6. LONG TERM FINANCING		
Secured		
Opening balance	4,657,500	1,852,794
Add : Obtained during the period / year	5,769,507	2,968,086
Less: Repaid during the period/ year	180,147	163,380
	10,246,860	4,657,500
Less: Current portion shown under current liabilities	1,073,356	471,390
	9,173,504	4,186,110
7. TRADE AND OTHER PAYABLES		
Trade creditors	2,745,369	1,667,575
Bills payable - secured Coal	887,333	3,955
Accrued liabilities	1,077,075	1,221,745
Advances from customers	271,942	335,283
Security deposits repayable on demand	57,086	55,976
Contractors' retention money	210,371	133,524
Royalty and Excise Duty payable	36,941	33,569
Payable to Provident Fund Trust	20,270	17,584
Other taxes payable	62,569	120,622
Sales tax payable - net	-	234,507
Excise duty payable	-	203,091
Payable to Workers' Profit Participation Fund	1,487,458	1,332,987
Payable to Workers' Welfare Fund	146,227	186,382
Other payables	288,419	108,004
	7,291,060	5,654,804
8. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	1,073,356	471,390
Finance lease liabilities	-	230,717
	1,073,356	702,107

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 Group for the year ended 30 June 2017 except for the following:

Environmental Protection Agency (EPA), in its order dated December 03, 2017 directed MLCFL to halt construction work at capacity enhancement of new line of 7,300 tons per day despite the fact that the Company had met all the statutory obligations prior to project kick-off. The Management filed a writ petition in the Honorable, Lahore High Court, Lahore, where the decision was made in favor of MLCFL and the work on the project was restored.

9.2 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 827.422 million (30 June 2017: Rupees 748.292 million)..

9.0 Commitments

- (i) Letter of credit for capital expenditure are Rupees 9,531.112 million (30 June 2017: Rupees 15,438.845 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 1,226.079 million (30 June 2017: Rupees 1,093.746 million).

	Un-audited 31 March 2018	Audited 30 June 2017
	(Rupees in thousand)	
10. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 10.1)	30,151,974	24,580,786
Leased (Note 10.2)	343,998	418,292
Capital work-in-progress (Note 10.3)	12,907,281	6,223,788
	<u>43,403,253</u>	<u>31,222,866</u>

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
10.1 Operating fixed assets - owned		
Opening book value	24,580,786	23,545,678
Add : Cost of additions during the period / year (Note 10.1.1)	7,355,381	3,231,667
Add : Revaluation of freehold land during the period/year	-	23,119
Add : Transferred from leased assets (Note 10.2)	56,631	8,744
	<u>31,992,798</u>	<u>26,809,208</u>
Less : Book value of deletions during the period / year (10.1.2)	27,776	216,059
	<u>31,965,022</u>	<u>26,593,149</u>
Less : Depreciation charged during the period / year	1,813,048	2,012,363
Closing book value	<u>30,151,974</u>	<u>24,580,786</u>
10.1.1 Cost of additions		
Buildings	1,868,374	625,323
Plant and machinery	5,349,857	2,402,132
Service and other equipment	509	10,830
Computer and IT installations	4,436	23,233
Furniture and fixture	43,505	71,768
Office equipment	3,162	1,072
Vehicles	85,538	97,309
	<u>7,355,381</u>	<u>3,231,667</u>
10.1.2 Book value of deletions		
Land	-	14,248
Buildings	415	72,262
Plant and machinery	12,014	113,098
Computer and IT installations	172	397
Furniture and fixture	35	2,971
Office equipment	237	28
Vehicles	14,903	13,055
	<u>27,776</u>	<u>216,059</u>

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
10.2 Operating fixed assets - leased		
Opening book value	418,292	455,459
Less : Transferred to owned assets (Note 10.1)	56,631	8,744
	361,661	446,715
Less : Depreciation charged during the period / year	17,663	28,423
Closing book value	343,998	418,292
10.3 Capital work-in-progress		
Tangible assets		
Land	715,645	-
Plant and machinery	239,347	2,573,936
Civil Works	2,631,947	1,462,427
Mechanical works	20,196	442,293
Electrical works	-	174,030
Depreciation	-	3,078
Letters of credit	-	2,337
Store held for capitalization	920,264	166,091
Finance cost	-	144,342
Unallocated capital expenditure	316,954	270,574
Advances to suppliers against:		
Plant and machinery	7,271,040	314,591
Civil works	613,191	101,584
Purchase of land	-	550,918
Furniture & fixture	-	11,144
Electric items	14,867	-
Vehicles	38,836	2,822
Others	124,994	3,621
	12,907,281	6,223,788

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 30 June 2017
11. OTHER RECEIVABLES		
Sales tax refundable	726,344	1,018,613
Custom duty receivable	15,989	32,786
Mark up rate support receivable	3,633	3,633
Export rebate	85,530	95,045
Insurance claims	5,856	4,171
Duty draw back receivable	182,760	189,377
Margin deposits with brokers	-	121,300
Dividend receivable	5,149	-
Others	61,746	229,022
	<u>1,087,007</u>	<u>1,693,947</u>
	Un-audited 31 March 2018 (Rupees in thousand)	Un-audited 31 March 2017
12. SALES		
Export sales	6,053,996	7,968,096
Local Sales (Note 12.1)	26,225,479	23,265,400
Export rebate	30,731	41,460
Duty draw back	127,146	41,415
	<u>32,437,352</u>	<u>31,316,371</u>
12.1 Local sales	34,173,868	29,336,418
Less:		
Federal excise duty	3,300,469	2,199,641
Sales tax	4,289,595	3,584,667
Discount and freight	252,140	204,839
Commission	106,185	81,871
	7,948,389	6,071,018
	<u>26,225,479</u>	<u>23,265,400</u>

	Un-audited 31 March 2018 (Rupees in thousand)	Un-audited 31 March 2017
13. CASH GENERATED FROM OPERATIONS		
Profit before taxation	5,695,435	8,541,591
Adjustment for non-cash charges and other items		
Depreciation	1,830,088	1,500,210
Amortization held to maturity investment	6,302	21
Finance cost	865,803	395,622
Employees' compensated absences	14,790	14,842
Provision for doubtful debts	20,000	-
(Gain) / loss on sale of property, plant and equipment	(7,443)	30,825
Gain on remeasurement of investments at fair values through profit or loss	(811)	(508,055)
Gain on disposal of investment at fair values through profit or loss	(17,174)	(364,372)
Return on bank deposits	(26,249)	(20,602)
Dividend received	-	(25,621)
Working capital changes (Note 13.1)	(2,028,771)	(2,024,647)
	<u>6,351,970</u>	<u>7,539,814</u>
13.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(1,695,449)	(1,419,152)
Stock-in-trade	(663,402)	(468,625)
Trade debts	(780,445)	(530,566)
Loans and advances	(795,613)	(517,045)
Security deposits and short term prepayments	(202,995)	(74,305)
Other receivables	292,104	(160,100)
	<u>(3,845,800)</u>	<u>(3,169,793)</u>
Increase in current liabilities		
Trade and other payables	1,817,029	1,145,146
	<u>(2,028,771)</u>	<u>(2,024,647)</u>

14. SEGMENT INFORMATION

14.1

	Spinning		Weaving		Processing and home textile		Cement		Investments		Power		Elimination of inter-segment transactions		Group	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
SALES:	6,022,451	5,387,758	2,625,104	2,603,642	3,919,664	5,136,955	19,269,833	18,187,016	-	-	-	-	-	-	32,437,352	31,316,371
EXTERNAL INTER-SEGMENT	365,763	555,088	954,898	886,348	-	-	32,533	106,738	-	-	-	-	(1,353,194)	(1,548,174)	32,437,352	31,316,371
COST OF SALES	6,988,214	5,943,846	3,580,002	3,489,990	3,919,664	5,136,955	19,302,366	18,293,754	-	-	-	-	(25,513,259)	(25,513,259)	67,495,556	67,495,556
GROSS PROFIT	(5,955,142)	(5,023,880)	(3,349,000)	(3,257,366)	(3,289,500)	(4,249,143)	(12,272,746)	(10,513,139)	-	-	-	-	1,353,194	1,548,174	8,924,093	9,821,015
DISTRIBUTION COST	(1,033,072)	919,964	230,942	232,624	630,459	887,812	7,009,620	7,786,615	-	-	-	-	-	-	6,924,093	7,200,008
ADMINISTRATIVE EXPENSES	(23,980)	(20,234)	(89,510)	(155,348)	(283,828)	(338,911)	(922,673)	(863,269)	(481,102)	(48,600)	(19,449)	(7,118)	-	-	(934,889)	(889,223)
PROFIT BEFORE TAX AND OTHER EXPENSES	(134,981)	(111,278)	(1,114,577)	(1,164,577)	(1,244,115)	(1,134,666)	(896,949)	(841,198)	(481,102)	(48,600)	(19,449)	(7,118)	-	-	(2,228,897)	(2,235,985)
TAXATION	(158,961)	(131,412)	(170,783)	(171,805)	(407,940)	(472,377)	(1,419,642)	(1,404,467)	(481,102)	(48,600)	(19,449)	(7,118)	-	-	-	-
UNALLOCATED INCOME AND EXPENSES	874,111	788,352	601,559	60,819	222,519	415,435	5,629,958	6,376,148	(481,102)	(48,600)	(19,449)	(7,118)	-	-	6,699,156	7,585,030
FINANCE COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS FOR REPORTABLE SEGMENT	5,319,674	4,665,385	3,762,600	3,313,866	3,313,188	2,912,971	40,856,624	28,846,538	4,875,871	4,983,220	5,641,356	5,110,832	63,948,313	49,834,982	63,948,313	49,834,982
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	5,529,663	4,002,872	-	-
TOTAL ASSETS AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	69,495,976	53,837,714	-	-
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,110,809	922,919	1,724,626	1,283,415	3,407,209	2,590,431	13,852,242	7,490,003	-	-	-	-	20,094,986	12,210,668	20,094,986	12,210,668
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	11,253,748	8,848,476	31,348,754	27,059,244

PROFIT AFTER TAXATION

14.2. Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and home textile		Cement		Investments		Power		Group	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
TOTAL ASSETS FOR REPORTABLE SEGMENT	5,319,674	4,665,385	3,762,600	3,313,866	3,313,188	2,912,971	40,856,624	28,846,538	4,875,871	4,983,220	5,641,356	5,110,832	63,948,313	49,834,982
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	5,529,663	4,002,872
TOTAL ASSETS AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	69,495,976	53,837,714
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,110,809	922,919	1,724,626	1,283,415	3,407,209	2,590,431	13,852,242	7,490,003	-	-	-	-	20,094,986	12,210,668
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER BALANCE SHEET	-	-	-	-	-	-	-	-	-	-	-	-	11,253,748	8,848,476

15. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Nine months ended		(Un-audited) Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
 (Rupees in thousand)			
Profit attributable to ordinary shares	2,448,627	4,165,341	694,928	1,319,972
 (Number of shares)			
	Restated		Restated	
Weighted average number of ordinary shares	288,733,901	285,178,699	299,296,457	285,178,699
Earnings per share	8.48	14.61	2.32	4.63

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

16. 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 31 March 2018	Un-audited 31 March 2017
	(Rupees in thousand)	
Other related parties		
Group's contribution to employee's benefits	160,119	126,523
Remuneration paid to Chief Executive Officers, Directors and Executives	351,196	282,657

17. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

17.1 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 March 2018	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand)			
Assets				
Through profit and loss:				
Short term investments	3,885,257	-	-	3,885,257
	3,885,257	-	-	3,885,257

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

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.

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.

17.2 Valuation techniques used to determine fair values

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

18. 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 March 2018	Level 1	Level 2	Level 3	Total
	(..... Rupees in thousand)			
Investment properties	-	1,789,670	-	1,789,670
Freehold land	-	3,134,814	-	3,134,814
Total non-financial assets	-	4,924,484	-	4,924,484

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

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.

19. 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.

20. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 25 April 2018.

21. CORRESPONDING FIGURES

Corresponding figures have been re-arranged in view of the Fourth Schedule to the Companies Act 2017.

22. 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