

Kohinoor Mills Limited



THIRD QUARTERLY REPORT
31 March 2018

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Kohinoor Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Asad Fayyaz Sheikh	Director
Mr. Ali Fayyaz Sheikh	Director
Mr. Riaz Ahmed	Director
Mr. Aamir Amin	Director (NIT Nominee)
Mr. Shahbaz Munir	Director

AUDIT COMMITTEE

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member
Mr. Ali Fayyaz Sheikh	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rashid Ahmed	Chairman
Mr. Asad Fayyaz Sheikh	Member
Mr. Shahbaz Munir	Member

CHIEF FINANCIAL OFFICER

Mr. Kamran Shahid

HEAD OF INTERNAL AUDIT

Mr. Jamal Asif

LEGAL ADVISORS

- Raja Mohammad Akram & Co.,
Advocate & Legal Consultants,
Lahore.
- Malik Muhammad Ashraf Kumma
Advocate

COMPANY SECRETARY

Mr. Muhammad Rizwan Khan

AUDITORS

M/s. Riaz Ahmad & Co.,
Chartered Accountants

BANKERS

Allied Bank Limited
Al-Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited (formerly NIB Bank Limited)
National Bank of Pakistan
Silk Bank Limited
Standard Chartered Bank (Pakistan) Ltd
The Bank of Punjab
United Bank Limited

REGISTERED OFFICE & MILLS

8th K.M. Manga Raiwind Road,
District Kasur, Pakistan
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Line: (92-42) 36369340
Fax (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website : www.kohinoormills.com

SHARES REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd,
HM House, 7 Bank Square, Lahore.
Land Lines: (92-42) 37235081 & 82
Fax: (92-42) 37358817

OTHER CORPORATE INFORMATION

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The registration number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com

DIRECTORS' REVIEW

The Directors of the Company are pleased to present the interim financial statements for nine months ended 31 March 2018.

Operating & Financial Results

During the nine month ended 31 March 2018, your company earned a gross profit of Rs. 1,112 million on sales of Rs. 8,148 million compared to gross profit of Rs. 1,246 million on sales of Rs. 8,365 million for the corresponding period of previous financial year. During the period under review, your company recorded a net profit of Rs. 211 million (EPS: Rs. 4.15 per share), compared to net profit of Rs. 238 million (EPS: Rs. 4.68 per share) in the corresponding period.

Despite rising raw material prices, increasing competition from regional players and challenging demand situation in overseas markets and the resultant pressure on the profit margins, the Company was able to largely maintain its performance vis-a-vis last financial year.

Weaving Division

In line with the management's BMR plans, 84 new high-speed state-of-the-art air jet looms were installed in this division and made operational during the first half of the current financial year. This resulted in higher turnover compared with the corresponding period last year but the bottom line remained under pressure due to higher raw material prices.

Dyeing Division

Sluggish demand in overseas market and raw material price-hike resulted in marginal decline in the performance of this division.

Under the management's BMR plan, installation of additional equipment, which would result in 20% increase in this division's production capacity, is underway and expected to be completed in the last quarter of the current financial year. This will enable the company to better cater the demands of its customers and hence contribute to the overall performance of the Company in the coming years.

Genertek Division

The recent rise in coal and HFO prices resulted in increase in fuel and power costs and remains a cause of concern, going forward.

Future Prospects

The current Government failed to deliver on several of its promises. Despite the announcement of Textile Relief Package, the Government was unable to reduce the trade deficit. While the Government announced and partially disbursed Duty Drawbacks for FY 2016-17, any concrete steps for disbursement of current year's Drawbacks are much awaited. This coupled with uncertain political situation, has added to the existing woes of the industry.

However, the management has kept its resolve for continuous performance improvement through better marketing, by winning customer confidence, product development and innovation, improved capacity utilization and better supply chain management to keep costs low. The management is hopeful for the further improvement in the performance of the Company in the long run.

Acknowledgment

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the employees of the company.

For and on behalf of the Board

Kasur:
25 April 2018


RIAZ AHMED
Director


AAMIR FAYYAZ SHEIKH
Chief Executive



Financial Statements

For the Nine months ended 31 March 2018

CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2018

	Note	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
80,000,000 (30 June 2017: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2017: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2017: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		684,690,282	511,178,774
Total equity		<u>1,193,800,392</u>	<u>1,020,288,884</u>
Surplus on revaluation of operating fixed assets - net of deferred income tax		1,045,551,912	1,061,413,426
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	838,868,239	566,531,348
Deferred liabilities		247,167,600	241,726,596
		<u>1,086,035,839</u>	<u>808,257,944</u>
Current liabilities			
Trade and other payables		1,289,807,271	947,933,906
Accrued mark-up		36,354,380	35,603,152
Sponsor's loan		302,768,000	272,000,000
Short term borrowings - secured		2,681,462,002	2,132,770,001
Current portion of long term financing	5	197,360,272	160,576,164
Provision for taxation		83,847,851	99,325,921
		<u>4,591,599,776</u>	<u>3,648,209,144</u>
Total Liabilities		<u>5,677,635,615</u>	<u>4,456,467,088</u>
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		<u><u>7,916,987,919</u></u>	<u><u>6,538,169,398</u></u>

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


AAMIR FAYYAZ SHEIKH
 Chief Executive

	Note	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	4,099,394,462	3,602,681,364
Investment Property		21,874,450	22,163,203
Long term investments		53,192,307	49,118,229
Long term security deposits		22,032,757	21,818,487
		<u>4,196,493,976</u>	<u>3,695,781,283</u>
Current assets			
Stores, spares and loose tools		350,773,649	404,107,841
Stock-in-trade		1,176,568,033	909,069,104
Trade debts		1,187,762,442	642,491,874
Advances		79,172,029	58,529,249
Trade deposits and short term prepayments		34,817,505	15,408,976
Other receivables		543,416,980	486,589,317
Sales tax recoverable		176,035,178	256,826,002
Cash and bank balances		171,948,127	69,365,752
		<u>3,720,493,943</u>	<u>2,842,388,115</u>
TOTAL ASSETS		<u><u>7,916,987,919</u></u>	<u><u>6,538,169,398</u></u>



RIAZ AHMED

Director



KAMRAN SHAHID

Chief Financial Officer


**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT** (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Note	Nine months ended		Quarter ended	
		31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
SALES		8,148,422,078	8,365,627,633	2,709,087,963	2,889,913,498
COST OF SALES	8	(7,036,324,352)	(7,118,913,377)	(2,390,515,802)	(2,457,931,848)
GROSS PROFIT		1,112,097,726	1,246,714,256	318,572,161	431,981,650
DISTRIBUTION COST		(405,738,836)	(470,007,196)	(137,758,221)	(193,540,528)
ADMINISTRATIVE EXPENSES		(194,647,636)	(181,813,105)	(62,673,970)	(62,203,122)
OTHER EXPENSES		(68,991,168)	(109,613,796)	(5,175,961)	(37,990,792)
		(669,377,640)	(761,434,097)	(205,608,152)	(293,734,442)
OTHER INCOME		442,720,086	485,280,159	112,964,009	138,247,208
		76,473,063	44,693,255	43,991,781	21,326,767
PROFIT FROM OPERATIONS		519,193,149	529,973,414	156,955,790	159,573,975
FINANCE COST		(223,898,915)	(208,759,645)	(93,350,998)	(53,939,322)
PROFIT BEFORE TAXATION		295,294,234	321,213,769	63,604,792	105,634,653
TAXATION		(83,847,851)	(82,800,993)	(26,576,557)	(29,723,839)
PROFIT AFTER TAXATION		211,446,383	238,412,776	37,028,235	75,910,814
EARNINGS PER SHARE - BASIC AND DILUTED		4.15	4.68	0.73	1.49

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director


KAMRAN SHAHID
Chief Financial Officer


CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
 FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Nine months ended		Quarter ended	
	31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
PROFIT AFTER TAXATION	211,446,383	238,412,776	37,028,235	75,910,814
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Deficit arising on re-measurement of available for sale investment to fair value	4,074,078	-	-	-
Deferred income tax relating to re-measurement of available for sale investment to fair value	(916,668)	-	-	-
Other comprehensive income for the period - net of tax	3,157,410	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	214,603,793	238,412,776	37,028,235	75,910,814

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


 AAMIR FAYYAZ SHEIKH
 Chief Executive


 RIAZ AHMED
 Director


 KAMRAN SHAHID
 Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)


FOR THE NINE MONTHS ENDED 31 MARCH 2018

	31 March 2018 Rupees	31 March 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	295,294,234	321,213,769
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	159,273,067	152,667,014
Depreciation on investment properties	288,753	-
Dividend income	(1,609,167)	(1,609,167)
Loss / (Gain) on sale of operating fixed assets	(2,600,804)	18,627,227
Provision for slow moving, obsolete and damaged store items	37,884,655	-
Impairment loss on investment in subsidiary company	-	4,635,625
Impairment loss on operating fixed assets	11,410,048	30,323,078
Provision for doubtful trade debts	-	21,499,865
Provision for doubtful miscellaneous receivable	-	587,356
Adjustment due to impact of IAS - 39	39,626,066	45,087,116
Finance cost	184,272,849	163,672,529
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	723,839,701	756,704,412
(Increase) / decrease in current assets		
Stores, spares and loose tools	15,449,537	17,483,144
Stock-in-trade	(267,498,929)	28,292,053
Trade debts	(545,270,568)	(161,953,990)
Advances	(20,642,780)	(6,654,675)
Trade deposits and short term prepayments	(19,408,529)	(3,617,289)
Other receivables	(82,644,644)	(94,295,635)
Sales tax recoverable	80,790,824	207,921,154
Increase / (decrease) in current liabilities		
Trade and other payables	341,387,691	(55,714,603)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	(497,837,398)	(68,539,841)
CASH GENERATED FROM OPERATIONS	226,002,303	688,164,571
Income tax paid	(74,460,631)	(78,289,875)
Long term security deposits paid	(214,270)	(482,975)
Finance cost paid	(178,997,272)	(288,235,126)
	(253,672,173)	(367,007,976)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(27,669,870)	321,156,595
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(675,921,752)	(62,569,505)
Proceeds from sale of operating fixed assets	11,126,343	20,784,645
Dividend received	1,609,167	1,609,167
NET CASH USED IN INVESTING ACTIVITIES	(663,186,242)	(40,175,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	415,700,000	-
Repayment of long term financing	(146,205,069)	(221,123,123)
Sponsor's loan obtained	30,768,000	-
Dividend paid	(55,516,445)	-
Short term borrowings - net	548,692,001	(49,964)
NET CASH GENERATED / (USED IN) FINANCING ACTIVITIES	793,438,487	(221,173,087)
NET INCREASE IN CASH AND CASH EQUIVALENTS	102,582,375	59,807,815
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	69,365,752	53,903,002
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	171,948,127	113,710,817

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director



KAMRAN SHAHID
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE NINE MONTHS ENDED 31 MARCH 2018

	RESERVES							TOTAL EQUITY	
	SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVES				
	Share premium reserve	Fair value reserve	Sub-total	General reserve	Accumulated loss	Sub-total	Total reserves		
Balance as at 01 July 2016 - (audited)	509,110,110	213,406,310	38,523,592	252,929,902	1,058,027,640	(952,717,428)	105,310,212	358,240,114	867,350,224
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	14,836,892	-	14,836,892	14,836,892
Adjustment due to change in repayment terms of sponsor's loan	-	-	-	-	-	-	-	-	-
Profit for the nine months ended 31 March 2017	-	-	-	-	-	-	-	-	-
Other comprehensive loss 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)	509,110,110	213,406,310	38,523,592	252,929,902	1,058,027,640	(698,467,760)	358,559,880	611,489,782	1,120,599,892
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	6,089,184	-	6,089,184	6,089,184
Loss for the quarter ended 30 June 2017	-	-	-	-	-	(104,397,495)	(104,397,495)	(104,397,495)	(104,397,495)
Other comprehensive loss for the quarter ended 30 June 2017	-	-	(2,002,697)	(2,002,697)	-	-	-	(2,002,697)	(2,002,697)
Total comprehensive loss for the quarter ended 30 June 2017	-	-	(2,002,697)	(2,002,697)	-	(104,397,495)	(104,397,495)	(106,400,192)	(106,400,192)
Balance as at 30 June 2017 - (audited)	509,110,110	213,406,310	37,520,895	250,927,205	1,058,027,640	(797,776,071)	260,251,569	511,178,774	1,020,288,884
Transacted with owners - Final dividend for the year ended 30 June 2017 @ Rupees 1.10 per share	-	-	-	-	(56,002,112)	-	(56,002,112)	(56,002,112)	(56,002,112)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	14,909,827	-	14,909,827	14,909,827
Profit for the nine months ended 31 March 2018	-	-	-	-	-	211,446,383	211,446,383	211,446,383	211,446,383
Other comprehensive income for the nine months ended 31 March 2018	-	-	3,157,410	3,157,410	-	-	-	3,157,410	3,157,410
Total comprehensive income for the nine months ended 31 March 2018	-	-	3,157,410	3,157,410	-	211,446,383	211,446,383	214,603,793	214,603,793
Balance as at 31 March 2018 - (Un-audited)	509,110,110	213,406,310	40,678,305	254,084,615	1,002,025,528	(571,419,861)	430,605,667	684,690,282	1,193,800,392

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


AAMIR FAYYAZ SHEIKH
 Chief Executive


RIAZ AHMED
 Director


KAMRAN SHAHID
 Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2018

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited ("the Company") is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (Now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate, and supply electricity.

2. BASIS OF PREPARATION

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities and 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 information 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 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 computations adopted for the preparation of this 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 JUDGMENTS

The preparation of this 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 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.

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	727,107,512	898,610,110
Add : Obtained during the period / year	415,700,000	29,100,000
Add : Adjustment due to impact of IAS - 39 during the period / year	39,626,066	43,512,670
Less: Repaid / adjusted during the period / year	146,205,069	244,115,268
	1,036,228,509	727,107,512
Less: Current portion shown under current liabilities	197,360,271	160,576,164
	838,868,238	566,531,348

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

6.2 Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 91.836 million and Rupees 23.582 million (30 June 2017: Rupees 223.947 million and Rupees 56.075 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 347.906 million (30 June 2017: Rupees 128.590 million).

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
7. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 7.1)	3,878,182,478	3,384,933,889
Capital work-in-progress (Note 7.2)	221,211,984	217,747,475
	4,099,394,462	3,602,681,364
Intangible asset - computer software (Note 7.3)	-	-
	4,099,394,462	3,602,681,364

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
7.1 Operating fixed assets		
Opening net book value	3,384,933,889	3,585,296,846
Add: Cost of additions during the period / year (Note 7.1.1)	672,457,243	77,992,523
	4,057,391,132	3,663,289,369
Less: Book value of deletions during the period / year (Note 7.1.2)	8,525,539	28,910,068
Depreciation charged during the period / year	159,273,067	206,773,141
Impairment loss	11,410,048	42,672,271
Closing net book value	3,878,182,478	3,384,933,889
7.1.1 Cost of additions during the period / year		
Residential Building	-	397,803
Factory building	1,341,145	7,108,925
Plant and machinery	620,211,209	47,384,874
Electric installations	7,938,833	5,647,758
Furniture, fixtures and equipment	6,213,271	399,175
Computers	32,456,025	578,146
Motor vehicles	4,296,760	16,475,842
	672,457,243	77,992,523
7.1.2 Book value of deletions during the period / year		
Plant and machinery	6,197,607	11,194,608
Furniture, fixtures and equipment	-	167,873
Motor vehicles	2,327,932	17,547,587
	8,525,539	28,910,068
7.2 Capital work-in-progress		
Civil works	-	6,743,813
Plant and machinery	208,152,374	88,507,834
Advances for capital expenditures	5,723,198	22,861,952
Stores held for capital expenditures	7,336,412	99,633,876
	221,211,984	217,747,475
7.3 Intangible asset - computer software has been fully amortized but still in the use of the Company.		

	Nine months ended		Un-audited Quarter ended	
	31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
	8. COST OF SALES			
Raw material consumed	4,938,438,984	5,140,126,365	1,574,712,018	1,523,696,257
Chemicals consumed	602,213,647	601,628,826	206,922,984	192,445,836
Salaries, wages and other benefits	374,603,464	308,785,441	127,001,265	97,574,281
Employee's provident fund contributions	14,016,842	11,213,220	4,772,200	3,803,691
Cloth conversion and processing charges	92,359,534	56,605,512	42,521,657	16,077,929
Fuel, oil and power	731,846,890	594,860,422	281,076,020	194,377,589
Stores, spares and loose tools consumed	130,323,143	117,853,683	49,659,086	40,517,683
Packing materials consumed	63,222,361	56,197,839	21,982,371	18,982,483
Repair and maintenance	41,098,554	30,014,853	(9,092,083)	12,036,535
Insurance	6,197,768	6,081,188	2,133,285	2,038,779
Other manufacturing expenses	46,965,568	40,654,821	18,903,605	12,106,306
Depreciation on operating fixed assets	150,274,890	142,286,440	58,362,348	46,507,590
	7,191,561,645	7,106,308,610	2,378,954,756	2,160,164,959
Work-in-process inventory				
Opening stock	185,313,571	136,625,320	243,077,667	313,468,367
Closing stock	(217,681,362)	(212,624,470)	(217,681,362)	(212,624,470)
	(32,367,791)	(75,999,150)	25,396,305	100,843,897
Cost of goods manufactured	7,159,193,854	7,030,309,460	2,404,351,061	2,261,008,856
Cost of yarn and cloth purchased for resale	23,403,697	12,691,274	5,698,695	3,705,805
	7,182,597,551	7,043,000,734	2,410,049,756	2,264,714,661
Finished goods inventory				
Opening stock	535,748,907	472,334,811	662,488,152	589,639,355
Closing stock	(682,022,106)	(396,422,168)	(682,022,106)	(396,422,168)
	(146,273,199)	75,912,643	(19,533,954)	193,217,187
	7,036,324,352	7,118,913,377	2,390,515,802	2,457,931,848

9. ANALYSIS BY SEGMENT (Un-audited)

9.1 Operating Segment

Nine month ended 31 March 2018

	Weaving	Dyeing	Power Generation	Total- Company
	Rupees	Rupees	Rupees	Rupees
Total Sale	4,006,494,363	6,315,423,425	682,677,560	11,004,595,348
Intersegment Sale	(2,047,651,381)	(125,844,329)	(682,677,560)	(2,856,173,270)
External Sale	<u>1,958,842,982</u>	<u>6,189,579,096</u>	<u>-</u>	<u>8,148,422,078</u>
Profit from operation before taxation and unallocated income / expense	<u>73,385,059</u>	<u>440,218,418</u>	<u>(1,892,223)</u>	<u>511,711,254</u>
Other income and expense-Net				7,481,895
Profit from operations				<u>519,193,149</u>
Finance Cost				(223,898,915)
Taxation				(83,847,851)
Profit after taxation				<u>211,446,383</u>

Nine month ended 31 March 2017

Total Sale	2,925,921,586	6,509,051,312	554,551,104	9,989,524,002
Intersegment Sale	(1,028,171,736)	(41,173,529)	(554,551,104)	(1,623,896,369)
External Sale	<u>1,897,749,850</u>	<u>6,467,877,783</u>	<u>-</u>	<u>8,365,627,633</u>
Profit from operations before taxation and unallocated income / expenses	<u>75,618,805</u>	<u>526,639,299</u>	<u>(7,364,149)</u>	<u>594,893,955</u>
Other income and expense-Net				(64,920,541)
Profit from operations				<u>529,973,414</u>
Finance Cost				(208,759,645)
Taxation				(82,800,993)
Profit after taxation				<u>238,412,776</u>

9.2 There is no material change in segment assets from amount disclosed in preceding audited annual published financial statements.

10. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary company, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties are as follows:

	Nine months ended		Un-audited Quarter ended	
	31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
Subsidiary company				
Expense paid on behalf of subsidiary company	-	587,356	-	163,528
Other related parties				
Loan repaid to spouse of a director	-	56,300,000	-	46,000,000
Loan received from director	30,768,000	-	-	-
Remuneration paid to Chief Executive Officer, Directors and Executives	99,407,191	101,176,074	33,704,529	33,725,358
Contribution to employees' provident fund trust	19,153,713	15,661,033	6,454,925	5,300,419
			Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
Period end Balances				
Sponsor's Loan Payable / (Receivable) to employees' provident fund trust			302,768,000 2,197,139	272,000,000 (490,361)

11. 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.

12. AUTHORIZED FOR ISSUE

This condensed interim financial information was authorized for issue on 25 April 2018 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director


KAMRAN SHAHID
Chief Financial Officer



Kohinoor Mills Limited

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