

Kohinoor Mills Limited



THIRD QUARTERLY REPORT
31 March 2016

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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. Ali Fayyaz Sheikh	Member
Mr. Shahbaz Munir	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 Islamic Bank B.S.C. (E.C)
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- National Bank of Pakistan
- NIB Bank Limited
- 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.

UAN: (92-42) 111-941-941

CELL LINES: (92-333) 4998801-10

LAND LINES: (92-42) 36369340-45

FAX: (92-42) 35395064 & 35395065

EMAIL: info@kohinoormills.com

WEBSITE: www.kohinoormills.com

SHARES REGISTRAR

M/s. Hameed Majeed Associates (Pvt.) Ltd,

HM House, 7 Bank Square, Lahore.

LAND LINES: (92-42) 37235081 & 82

FAX: (92-42) 37358817

STOCK EXCHANGE

Kohinoor Mills Limited is a public limited Company and its shares are traded under textile composite sector at Pakistan Stock Exchange Limited. Financial statements are also available at above website of the Company.

DIRECTORS' REVIEW

The Directors of the Company are pleased to present the interim financial statements for the nine months ended 31 March 2016. These interim financial statements are presented in accordance with the requirements of the Companies Ordinance, 1984.

Operating & Financial Results

During the nine months ended 31 March 2016, your company earned a gross profit of Rs. 1,102 million on sales of Rs. 6,366 million (gross margin: 17.3%) compared to gross profit of Rs. 994 million on sales of Rs. 5,929 million (gross margin: 16.8%) for the corresponding period of previous financial year. The profit after taxation was Rs. 146 million (Earnings per share: Rs. 2.87), compared to profit after taxation of Rs. 141 million (Earnings per share: Rs. 2.77) in the corresponding period.

Included in profit after taxation for the period under review is notional interest expense of Rs. 174 million, being amortization of fair value gain of restructured financing facilities as per IAS 39, as compared to Rs. 78 million in the corresponding period. Had there been no such adjustment, net profit for the period under review would have been Rs. 320 million (Earnings per share: Rs. 6.28) compared to Rs. 219 million (Earnings per share: Rs. 4.30) in the corresponding period.

Despite increasing competition from regional players and challenging demand situation in overseas markets, the company was able to improve its performance during the period under review compared to corresponding financial period on back of better sales volume and reduced energy costs.

Weaving Division

Owing to higher international competition and depressed cloth prices, the profitability was comparatively lower in this division, with slight recovery in the quarter under review. The management is taking earnest steps to improve performance in this division of the company in the remaining part of the year.

Further, to better service the greige requirements of the Dyeing Division in-house, the management is planning to add 96 latest high-speed energy-efficient looms and another sizing range in this Division in the upcoming Financial Year 2016-17. The civil infrastructure for these machines is already in place. The additional higher productivity of these looms at lower energy costs, will also increase the overall cost-effectiveness and competitiveness of the Division.

Dyeing Division

Better capacity utilization and improved margins resulted in performance improvement in this division of the company. Being at the value-added end of the fabric business, the management is intensifying its product development and marketing efforts. This is expected to yield further positive results in the ensuing period thus driving up the overall performance.

Genertek Division

Fuel and energy situation remained manageable during the period under review owing to significant reduction in Heavy Fuel Oil prices.

In view of the unreliable gas and electricity supply situation in the country in the long run, the management is earnestly considering various alternate-fuel based energy options. Accordingly, company is in the process of erection of 30 TPH coal-fired boiler to reduce its steam generation cost. The boiler is expected to be operational in June 2016.

Q Mart Corporation (Pvt) Ltd (a wholly owned subsidiary of your company)

The company, in line with its decision to focus on its core fabric business, decided to pull out of retail business during the previous financial year and accordingly shut-down all its Q-Mart retails stores. The management is currently in the process of disposing of the fixed assets of this company.

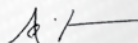
Future Prospects

Despite challenging macro-economic scenario emanating from uncertain security environment, increasing competition from regional players and sluggish global demand, the Management has kept its resolve for performance improvement through better marketing by winning customer confidence and higher margins by improved capacity utilization and better supply chain management to keep costs low. The current order book position of the company is healthy and the management is optimistic that it can improve on the company's performance, going forward.

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 staff and workers of the company.

For and on behalf of the Board

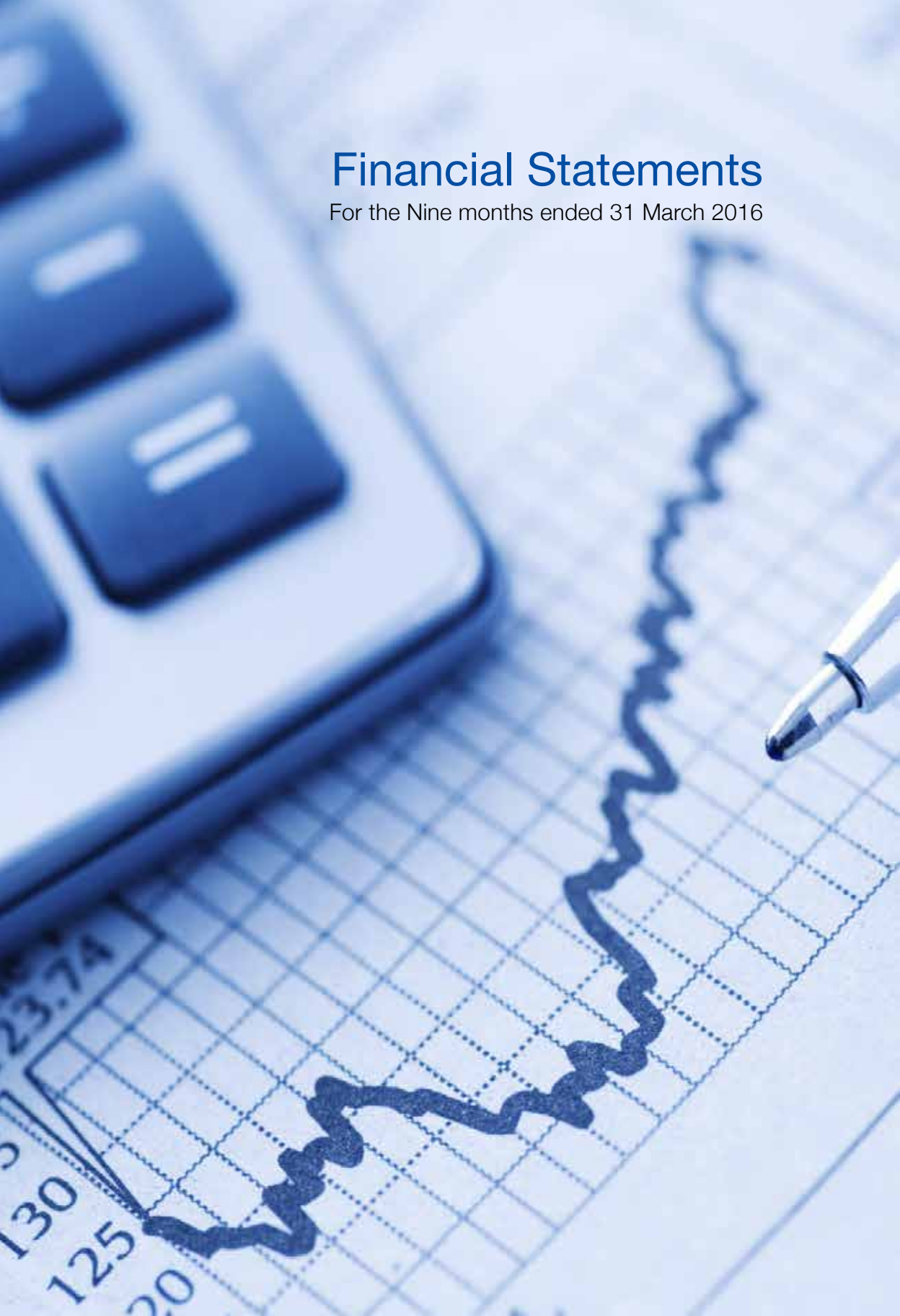


AAMIR FAYYAZ SHEIKH
Chief Executive

Kasur:
25 April 2016

Financial Statements

For the Nine months ended 31 March 2016

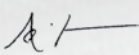


UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2016

	Note	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2015: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2015: 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 2015: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		443,196,102	371,887,258
Total equity		<u>952,306,212</u>	<u>880,997,368</u>
Surplus on revaluation of operating fixed assets - net of deferred income tax		1,084,917,187	1,102,492,273
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	936,206,365	1,532,875,759
Sponsor's loan	6	-	196,855,369
Deferred liabilities		396,177,593	356,647,458
		<u>1,332,383,958</u>	<u>2,086,378,586</u>
Current liabilities			
Trade and other payables		934,776,811	848,944,580
Accrued mark-up		144,208,250	250,378,063
Sponsor's loan		272,000,000	-
Short term borrowings - secured		1,345,853,535	756,228,140
Current portion of long term financing	5	360,554,877	279,032,044
Provision for taxation		64,003,872	72,208,980
		<u>3,121,397,345</u>	<u>2,206,791,807</u>
Total Liabilities		<u>4,453,781,303</u>	<u>4,293,170,393</u>
Contingencies and commitments	7		
TOTAL EQUITY AND LIABILITIES		<u>6,491,004,702</u>	<u>6,276,660,034</u>

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


AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
ASSETS			
Non-current assets			
Fixed Assets	8	3,663,005,013	3,694,363,572
Long term investments		210,552,326	235,693,073
Long term security deposits		21,200,012	20,953,202
		<u>3,894,757,351</u>	<u>3,951,009,847</u>
Current assets			
Stores, spares and loose tools		386,979,725	366,497,465
Stock-in-trade		782,215,217	729,676,914
Trade debts		565,142,728	485,583,822
Advances		102,689,758	78,488,927
Trade deposits and short term prepayments		28,849,752	17,487,549
Other receivables		286,964,079	292,227,577
Sales tax recoverable		362,119,677	243,395,861
Cash and bank balances		81,286,415	112,292,072
		<u>2,596,247,351</u>	<u>2,325,650,187</u>
TOTAL ASSETS		<u><u>6,491,004,702</u></u>	<u><u>6,276,660,034</u></u>

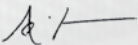


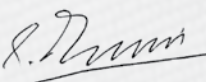
SHAHBAZ MUNIR
Director

**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2016**

	Note	Nine Months ended		Quarter ended	
		31 March 2016 Rupees	Restated 31 March 2015 Rupees	31 March 2016 Rupees	Restated 31 March 2015 Rupees
SALES		6,366,193,988	5,929,430,828	2,072,876,991	1,895,167,365
COST OF SALES	9	(5,264,647,423)	(4,935,813,917)	(1,734,304,884)	(1,586,492,700)
GROSS PROFIT		1,101,546,565	993,616,911	338,572,107	308,674,665
DISTRIBUTION COST		(389,280,486)	(333,253,828)	(124,233,493)	(116,799,971)
ADMINISTRATIVE EXPENSES		(177,045,635)	(174,556,475)	(63,422,639)	(57,468,274)
OTHER EXPENSES		(24,364,984)	(30,859,589)	318,170	(15,307,839)
		(590,691,105)	(538,669,892)	(187,337,962)	(189,576,084)
		510,855,460	454,947,019	151,234,145	119,098,581
OTHER INCOME		30,653,872	27,493,549	7,273,322	7,187,672
PROFIT FROM OPERATIONS		541,509,332	482,440,568	158,507,467	126,286,253
FINANCE COST		(332,680,555)	(264,915,988)	(144,185,900)	(76,026,002)
PROFIT BEFORE TAXATION		208,828,777	217,524,580	14,321,567	50,260,251
TAXATION		(62,879,067)	(76,325,955)	(24,521,618)	(22,087,380)
PROFIT / (LOSS) AFTER TAXATION		145,949,710	141,198,625	(10,200,051)	28,172,871
EARNINGS PER SHARE - BASIC AND DILUTED		2.87	2.77	(0.20)	0.55

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

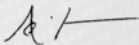

AAMIR FAYYAZ SHEIKH
Chief Executive



SHAHBAZ MUNIR
Director

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE NINE MONTHS ENDED 31 MARCH 2016

	Nine Months ended		Quarter ended	
	31 March 2016 Rupees	Restated 31 March 2015 Rupees	31 March 2016 Rupees	Restated 31 March 2015 Rupees
PROFIT / (LOSS) AFTER TAXATION	145,949,710	141,198,625	(10,200,051)	28,172,871
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investment to fair value	(20,982,265)	6,256,443	(27,238,708)	-
Deferred income tax relating to surplus / (deficit) on remeasurement of available for sale investment to fair value	5,035,744	(1,548,470)	6,584,214	-
Other comprehensive income / (loss) for the period - net of tax	(15,946,521)	4,707,973	(20,654,494)	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	130,003,189	145,906,598	(30,854,545)	28,172,871

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

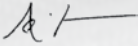

AAMIR FAYYAZ SHEIKH
Chief Executive

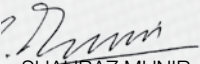

SHAHBAZ MUNIR
Director

**UNCONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)**
FOR THE NINE MONTHS ENDED 31 MARCH 2016

	31 March 2016 Rupees	Restated 31 March 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	208,828,777	217,524,580
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	162,004,722	167,677,076
Dividend income	(2,413,751)	(1,609,167)
Gain on sale of operating fixed assets	(303,340)	(2,726,121)
Impairment loss on investment in subsidiary company	4,158,482	3,759,186
Adjustment due to impact of IAS - 39	173,989,652	77,702,069
Finance cost	158,690,903	187,213,919
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	704,955,445	649,541,542
(Increase) / decrease in current assets		
Stores, spares and loose tools	(20,482,260)	(42,355,403)
Stock-in-trade	(52,538,303)	(16,438,343)
Trade debts	(79,558,906)	(19,366,028)
Advances	(24,200,831)	11,740,299
Trade deposits and short term prepayments	(11,362,203)	(12,412,899)
Other receivables	(5,419,250)	(26,285,889)
Sales tax recoverable	(118,723,816)	(5,902,813)
Increase / (decrease) in current liabilities		
Trade and other payables	85,832,231	(8,607,766)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	(226,453,338)	(119,628,842)
CASH GENERATED FROM OPERATIONS	478,502,107	529,912,700
Income tax paid	(59,112,478)	(62,884,764)
Long term security deposits paid	(246,810)	-
Finance cost paid	(220,294,835)	(138,668,526)
	(279,654,123)	(201,553,290)
NET CASH GENERATED FROM OPERATING ACTIVITIES	198,847,984	328,359,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(145,973,665)	(104,279,889)
Proceeds from sale of operating fixed assets	15,630,842	18,634,876
Dividend received	-	1,609,167
NET CASH USED IN INVESTING ACTIVITIES	(130,342,823)	(84,035,846)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing-net	(689,136,213)	(216,711,776)
Short term borrowings - net	589,625,395	(47,259,984)
NET CASH USED IN FINANCING ACTIVITIES	(99,510,818)	(263,971,760)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,005,657)	(19,648,196)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	112,292,072	155,474,401
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	81,286,415	135,826,205

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


AAMIR FAYYAZ SHEIKH
Chief Executive

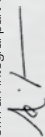

SHAFBAZ MUNIR
Director

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

FOR THE NINE MONTHS ENDED 31 MARCH 2016

	RESERVES										TOTAL EQUITY	
	SHARE CAPITAL		CAPITAL RESERVES			REVENUE RESERVES				Equity portion of sponsor's loan		Total reserves
	Share premium reserve	Fair value reserve	Sub-total	General reserve	Accumulated loss	Sub-total	-	-	-	-		
	------(Rupees)-----											
Balance as at 01 July 2014 - (audited)	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,233,110,302)	(175,082,662)	95,257,884	266,163,612	775,263,722		
Transferred from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	12,460,587	12,460,587	-	12,460,587	12,460,587		
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(15,084,940)	-	(15,084,940)		
Profit for the nine months ended 31 March 2015	-	-	-	-	141,198,625	141,198,625	141,198,625	-	141,198,625	141,198,625		
Other comprehensive income for the nine months ended 31 March 2015	-	4,707,973	4,707,973	4,707,973	-	-	-	-	4,707,973	4,707,973		
Total comprehensive income for the nine months ended 31 March 2015	-	4,707,973	4,707,973	4,707,973	141,198,625	141,198,625	141,198,625	-	145,906,598	145,906,598		
Balance as at 31 March 2015 - (Un-audited)	509,110,110	213,406,310	137,280,053	350,686,363	1,058,027,640	(1,079,451,090)	(21,423,450)	80,172,944	409,435,857	918,545,967		
Transferred from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	4,189,105	4,189,105	-	4,189,105	4,189,105		
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(5,028,313)	-	(5,028,313)		
Loss for the quarter ended 30 June 2015	-	-	-	-	-	-	-	-	-	-		
Other comprehensive loss for the quarter ended 30 June 2015	-	-	(18,487,858)	(18,487,858)	-	-	-	-	-	(18,221,533)		
Total comprehensive loss for the quarter ended 30 June 2015	-	-	(18,487,858)	(18,487,858)	-	-	-	-	-	(18,487,858)		
Balance as at 30 June 2015 - (audited)	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,987,368		
Transferred from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	16,450,286	16,450,286	-	16,450,286	16,450,286		
Adjustment due to change in repayment terms of sponsor's loan (Note 6.1)	-	-	-	-	-	-	-	(75,144,631)	-	(75,144,631)		
Profit for the nine months ended 31 March 2016	-	-	-	-	-	145,949,710	145,949,710	-	145,949,710	145,949,710		
Other comprehensive loss for the nine months ended 31 March 2016	-	-	(15,946,521)	(15,946,521)	-	-	-	-	-	(15,946,521)		
Total comprehensive income for the nine months ended 31 March 2016	-	-	(15,946,521)	(15,946,521)	-	-	-	-	-	(15,946,521)		
Balance as at 31 March 2016 - (Un-audited)	509,110,110	213,406,310	102,845,674	316,251,984	1,058,027,640	(931,083,522)	126,944,118	-	443,196,102	952,306,212		

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



AAMIR FAYYAZ SHEIKH

Chief Executive



SHAHBAZ MUNIR

Director

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2016

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 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

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the nine months ended 31 March 2016 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2015.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations 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 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 2015.

5. LONG TERM FINANCING - SECURED

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Opening balance	1,811,907,803	1,961,062,954
Add : Adjustment due to impact of IAS - 39	173,989,652	273,416,786
Less: Repaid / adjusted during the period / year	689,136,213	284,216,064
Less: Gain on recognition of long term financing at fair value during the period / year	-	138,355,873
	1,296,761,242	1,811,907,803
Less: Current portion shown under current liabilities	360,554,877	279,032,044
	936,206,365	1,532,875,759

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
6. SPONSOR'S LOAN		
Interest free loan	272,000,000	272,000,000
Equity portion of sponsor loan:		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	38,171,480
Adjustment due to change in repayment terms (Note 6.1)	75,144,631	-
	-	(75,144,631)
Less: Transferred to current liabilities	272,000,000	-
	-	196,855,369

- 6.1** This represents unsecured interest free loan obtained from director of the Company. Previously, this was repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2015, initial gain and impact of IAS-39 'Financial Instruments' on sponsor's loan was corrected retrospectively and recognized directly in equity, previously these were recognized in profit and loss account. During the current period, terms of repayment of loan have been changed w.e.f 01 July 2015. Now, this loan is repayable on demand. Consequently, the equity portion of loan amounting to Rupees 75.145 million (unwinded portion of difference between present value of loan at initial recognition and cash received) as on 30 June 2015 has been transferred to the carrying value of loan, which has now been presented in current liabilities.

7. CONTINGENCIES AND COMMITMENTS

7.1 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 2015.

7.2 Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 4.714 million and Rupees 17.351 million (30 June 2015: Rupees NIL and Rupees 26.230 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 245.575 million (30 June 2015: Rupees 127.752 million).

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 8.1)	3,535,439,406	3,663,368,205
Capital work-in-progress (Note 8.2)	127,565,607	30,995,367
	3,663,005,013	3,694,363,572
Intangible asset - computer software (Note 8.3)	-	-
	3,663,005,013	3,694,363,572

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8.1 Operating fixed assets		
Opening net book value	3,663,368,205	3,405,900,787
Add: Revaluation surplus arising on land and building during the period / year	-	358,075,962
Cost of additions during the period / year (Note 8.1.1)	49,403,426	142,061,012
	<u>3,712,771,631</u>	<u>3,906,037,761</u>
Less: Book value of deletions during the period / year (Note 8.1.2)	15,327,502	18,396,790
Depreciation charged during the period / year	162,004,723	224,272,766
	<u>3,535,439,406</u>	<u>3,663,368,205</u>
8.1.1 Cost of additions		
Factory Building	2,657,607	19,415,778
Plant and machinery	30,303,887	84,831,542
Electric installations	1,902,083	8,717,937
Furniture, fixtures and equipments	655,534	4,870,324
Computers	1,714,795	2,524,124
Motor Vehicles	12,169,520	21,701,307
	<u>49,403,426</u>	<u>142,061,012</u>
8.1.2 Book value of deletions		
Plant and machinery	3,700,449	12,940,362
Furniture, fixtures and equipment	-	356,792
Computers	19,289	-
Motor Vehicles	11,607,764	5,099,636
	<u>15,327,502</u>	<u>18,396,790</u>
8.2 Capital work-in-progress		
Civil works	32,641,496	23,478,029
Plant and machinery	93,657,809	-
Advances for Capital expenditures	1,266,302	7,517,338
	<u>127,565,607</u>	<u>30,995,367</u>
8.3 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 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
	9. COST OF SALES			
Raw material consumed	3,526,596,655	3,234,075,129	1,229,617,770	1,055,849,895
Chemicals consumed	554,395,347	504,431,498	190,524,094	176,078,161
Salaries, wages and other benefits	273,753,205	245,399,199	87,337,519	79,782,583
Employee's provident fund contributions	9,988,466	9,149,953	3,393,728	3,072,211
Cloth conversion and processing charges	42,242,013	13,982,888	8,460,763	5,662,216
Fuel, oil and power	487,314,829	535,346,290	125,556,719	104,847,012
Stores, spares and loose tools	99,532,069	71,803,648	33,554,016	24,050,653
Packing material	41,246,198	45,682,495	13,318,837	13,507,350
Repair and maintenance	25,742,100	26,985,402	7,513,239	9,366,607
Insurance	6,801,080	6,707,944	2,258,300	2,528,480
Other manufacturing expenses	51,559,588	72,325,936	7,979,764	23,777,197
Depreciation on operating fixed assets	152,014,463	157,869,629	50,627,514	53,641,661
	5,271,186,013	4,923,760,011	1,760,142,263	1,552,164,026
Work-in-process inventory				
Opening stock	143,336,567	128,250,466	159,647,200	163,302,803
Closing stock	(196,028,164)	(158,827,079)	(196,028,164)	(158,827,079)
	(52,691,597)	(30,576,613)	(36,380,964)	4,475,724
Cost of goods manufactured	5,218,494,416	4,893,183,398	1,723,761,299	1,556,639,750
Cost of yarn and cloth purchased for resale	15,241,928	14,664,850	4,984,818	1,075,000
	5,233,736,344	4,907,848,248	1,728,746,117	1,557,714,750
Finished goods inventory				
Opening stock	446,680,689	421,365,253	421,328,377	422,177,534
Closing stock	(415,769,610)	(393,399,584)	(415,769,610)	(393,399,584)
	30,911,079	27,965,669	5,558,767	28,777,950
	5,264,647,423	4,935,813,917	1,734,304,884	1,586,492,700

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		Quarter ended	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	Un-audited 31 March 2015 Rupees
Subsidiary company				
Expense paid on behalf of subsidiary company	1,279,987	637,702	269,493	294,529
Other related parties				
Loan repaid to spouse of a director	13,100,000	-	2,000,000	-
Remuneration paid to Chief Executive Officer, Directors and Executives	81,369,767	72,177,586	31,416,638	22,224,457
Contribution to employees' provident fund trust	13,997,349	13,122,642	5,237,370	4,362,663
			Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Period end Balances				
Receivable from subsidiary company			1,663,811	383,824
Payable to related party			56,900,000	70,000,000
Payable to employees' provident fund trust			1,184,565	1,266,662

11. ANALYSIS BY SEGMENT (Un-audited)

11.1 Operating Segment

Nine month ended 31 March 2016

	Weaving	Dyeing	Power Generation	Total- Company
	Rupees	Rupees	Rupees	Rupees
Total Sale	2,757,044,395	4,832,124,879	522,854,125	8,112,023,399
Intersegment Sale	(1,182,235,056)	(40,740,230)	(522,854,125)	(1,745,829,411)
External Sale	1,574,809,339	4,791,384,649	-	6,366,193,988
Profit / (loss) from operation before taxation and unallocated income/expense	108,903,470	436,885,857	(10,568,883)	535,220,444
Other income and expense-Net				6,288,888
Profit from operations				541,509,332
Finance Cost				(332,680,555)
Taxation				(62,879,067)
Profit after taxation				145,949,710

Nine month ended 31 March 2015

Total Sale	2,929,091,626	4,432,031,668	646,205,089	8,007,328,383
Intersegment Sale	(1,389,747,627)	(41,944,839)	(646,205,089)	(2,077,897,555)
External Sale	1,539,343,999	4,390,086,829	-	5,929,430,828
Profit from operations before taxation and unallocated income / expenses	123,724,538	340,678,209	21,403,861	485,806,608
Other income and expense-Net				(3,366,040)
Profit from operations				482,440,568
Finance Cost				(264,915,988)
Taxation				(76,325,955)
Profit after taxation				141,198,625

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

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

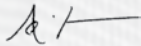
13. AUTHORIZED FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 25 April 2016 by the Board of Directors of the Company.

14. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made, except for retrospective correction of sponsor's loan as detailed in note 6.1 to this unconsolidated condensed interim financial information.



AAMIR FAYYAZ SHEIKH

Chief Executive



SHAHBAZ MUNIR

Director

Consolidated Financial Statements

For the Nine months ended 31 March 2016

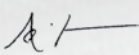


CONSOLIDATED CONDENSED INTERIM BALANCE SHEET


AS AT 31 MARCH 2016

	Note	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2015: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2015: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		1,100,000,000	1,100,000,000
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2015: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		443,196,102	371,887,258
Total equity		952,306,212	880,997,368
Surplus on revaluation of operating fixed assets - net of deferred income tax		1,113,828,413	1,132,159,543
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	936,206,365	1,532,875,759
Sponsor's loan	6	-	196,855,369
Deferred liabilities		396,177,593	356,647,458
		1,332,383,958	2,086,378,586
Current liabilities			
Trade and other payables		937,075,013	849,840,971
Loan from sponsor / director		283,000,000	11,000,000
Accrued markup		144,208,250	250,378,063
Short term borrowings - secured		1,345,853,535	756,228,140
Current portion of long term financing	5	360,554,877	279,032,044
Provision for taxation		64,003,872	72,208,980
		3,134,695,547	2,218,688,198
Total liabilities		4,467,079,505	4,305,066,784
Contingencies and commitments	7		
TOTAL EQUITY AND LIABILITIES		6,533,214,130	6,318,223,695

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


AAMIR FAYYAZ SHEIKH
 Chief Executive

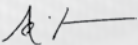
	Note	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
ASSETS			
Non-current assets			
Fixed Assets	8	3,778,457,383	3,813,798,093
Long term investments		136,027,426	157,009,691
Long term security deposits		21,200,012	20,953,202
		<u>3,935,684,821</u>	<u>3,991,760,986</u>
Current assets			
Stores, spares and loose tools		386,979,725	366,497,465
Stock-in-trade		782,215,217	729,676,914
Trade debts		565,142,728	485,583,822
Advances		102,689,758	78,488,927
Trade deposits and short term prepayments		28,849,752	17,487,549
Other receivables		288,160,898	292,954,960
Sales tax recoverable		362,119,677	243,395,861
Cash and bank balances		81,371,554	112,377,211
		<u>2,597,529,309</u>	<u>2,326,462,709</u>
TOTAL ASSETS		<u><u>6,533,214,130</u></u>	<u><u>6,318,223,695</u></u>

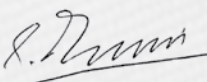

 SHAHBAZ MUNIR
 Director

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)**
FOR THE NINE MONTHS ENDED 31 MARCH 2016

	Nine Months ended		Quarter ended	
	31 March 2016 Rupees	Restated 31 March 2015 Rupees	31 March 2016 Rupees	Restated 31 March 2015 Rupees
SALES	6,366,193,988	5,929,430,828	2,072,876,991	1,895,167,365
COST OF SALES	(5,264,647,423)	(4,935,813,917)	(1,734,304,884)	(1,586,492,700)
GROSS PROFIT	1,101,546,565	993,616,911	338,572,107	308,674,665
DISTRIBUTION COST	(389,280,486)	(333,253,828)	(124,233,493)	(116,799,971)
ADMINISTRATIVE EXPENSES	(181,960,162)	(178,315,661)	(65,408,739)	(58,870,137)
OTHER OPERATING EXPENSES	(20,206,502)	(27,100,403)	1,548,225	(13,905,976)
	(591,447,150)	(538,669,892)	(188,094,007)	(189,576,084)
	510,099,415	454,947,019	150,478,100	119,098,581
OTHER INCOME	30,653,872	27,493,549	7,273,322	7,187,672
PROFIT FROM OPERATIONS	540,753,287	482,440,568	157,751,422	126,286,253
FINANCE COST	(332,680,555)	(264,915,988)	(144,185,900)	(76,026,002)
PROFIT BEFORE TAXATION	208,072,732	217,524,580	13,565,522	50,260,251
TAXATION	(62,879,067)	(76,325,955)	(24,521,618)	(22,087,380)
PROFIT/(LOSS) AFTER TAXATION	145,193,665	141,198,625	(10,956,096)	28,172,871
EARNING PER SHARE - BASIC AND DILUTED	2.85	2.77	(0.22)	0.55

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

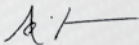

AAMIR FAYYAZ SHEIKH
Chief Executive



SHAHBAZ MUNIR
Director

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE NINE MONTHS ENDED 31 MARCH 2016

	Nine Months ended		Quarter ended	
	31 March 2016 Rupees	Restated 31 March 2015 Rupees	31 March 2016 Rupees	Restated 31 March 2015 Rupees
PROFIT / (LOSS) AFTER TAXATION	145,193,665	141,198,625	(10,956,096)	28,172,871
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investment to fair value	(20,982,265)	6,256,443	(27,238,708)	-
Deferred income tax relating to surplus / (deficit) on remeasurement of available for sale investment to fair value	5,035,744	(1,548,470)	6,584,214	-
Other comprehensive income / (loss) for the period - net of tax	(15,946,521)	4,707,973	(20,654,494)	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	129,247,144	145,906,598	(31,610,590)	28,172,871

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

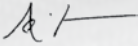

AAMIR FAYYAZ SHEIKH
Chief Executive

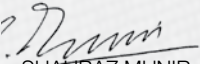

SHAHBAZ MUNIR
Director

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)**
FOR THE NINE MONTHS ENDED 31 MARCH 2016

	31 March 2016 Rupees	Restated 31 March 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	208,072,732	217,524,580
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	165,986,875	171,039,214
Dividend income	(2,413,751)	(1,609,167)
Gain on sale of operating fixed assets	(303,340)	(2,726,121)
Adjustment due to impact of IAS - 39	173,989,652	77,702,069
Finance cost	158,690,903	187,213,919
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	704,023,071	649,144,494
(Increase) / decrease in current assets		
Stores, spares and loose tools	(20,482,260)	(42,355,403)
Stock-in-trade	(52,538,303)	(16,438,343)
Trade debts	(79,558,906)	(19,366,028)
Advances	(24,200,831)	11,950,003
Trade deposits and short term prepayments	(11,362,203)	(12,412,899)
Other receivables	(5,888,686)	(26,285,889)
Sales tax recoverable	(118,723,816)	(5,902,813)
Increase / (decrease) in current liabilities Trade and other payables	87,234,042	(8,420,422)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	(225,520,963)	(119,231,794)
CASH GENERATED FROM OPERATIONS	478,502,108	529,912,700
Income tax paid	(59,112,478)	(62,884,764)
Long term security deposits paid	(246,810)	-
Finance cost paid	(220,294,835)	(138,668,526)
	(279,654,123)	(201,553,290)
NET CASH GENERATED FROM OPERATING ACTIVITIES	198,847,985	328,359,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(145,973,666)	(104,279,889)
Proceeds from sale of operating fixed assets	15,630,842	18,634,876
Dividend received	-	1,609,167
NET CASH USED IN INVESTING ACTIVITIES	(130,342,824)	(84,035,846)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings - net	(689,136,213)	(216,711,776)
Short term borrowings - net	589,625,395	(47,259,984)
NET CASH USED IN FINANCING ACTIVITIES	(99,510,818)	(263,971,760)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,005,657)	(19,648,196)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	112,377,211	155,617,370
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	81,371,554	135,969,174

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


AAMIR FAYYAZ SHEIKH
Chief Executive


SHAHBAZ MUNIR
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2016

	RESERVES							TOTAL EQUITY	
	CAPITAL RESERVES		REVENUE RESERVES			Equity portion of sponsor's loan	Total reserves		
	Share premium reserve	Fair value reserve	Sub-total	General reserve	Accumulated loss				Sub-total
509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,231,218,916)	(173,191,276)	95,257,884	268,044,998	777,155,108
-	-	-	-	-	13,059,159	13,059,159	-	13,059,159	13,059,159
-	-	-	-	-	-	-	(15,084,940)	(15,084,940)	(15,084,940)
-	-	4,707,973	4,707,973	-	-	-	-	-	141,198,625
-	-	4,707,973	4,707,973	-	-	-	-	-	4,707,973
-	-	4,707,973	4,707,973	-	-	-	-	-	4,707,973
509,110,110	213,406,310	137,280,053	350,686,363	1,058,027,640	(1,076,961,132)	(18,933,492)	80,172,944	411,925,815	921,035,925
-	-	-	-	-	4,400,540	4,400,540	-	4,400,540	4,400,540
-	-	-	-	-	-	-	(5,028,313)	(5,028,313)	(5,028,313)
-	-	-	-	-	-	-	-	-	(20,922,926)
-	-	(18,487,858)	(18,487,858)	-	-	-	-	-	(18,487,858)
-	-	(18,487,858)	(18,487,858)	-	-	-	-	-	(18,487,858)
509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,987,368
-	-	-	-	-	17,206,331	17,206,331	-	17,206,331	17,206,331
-	-	-	-	-	-	-	(75,144,631)	(75,144,631)	(75,144,631)
-	-	-	-	-	-	-	-	-	145,193,665
-	-	(15,946,521)	(15,946,521)	-	-	-	-	-	(15,946,521)
-	-	(15,946,521)	(15,946,521)	-	-	-	-	-	(15,946,521)
509,110,110	213,406,310	102,845,674	316,251,984	1,058,027,640	(931,083,522)	126,944,118	-	129,247,144	952,306,212

----- (Rupees) -----

Balance as at 01 July 2014 - (audited)

Transferred from surplus on revaluation of operating fixed assets - net of deferred income tax

Adjustment due to impact of IAS-39 on sponsor's loan

Profit for the nine months ended 31 March 2015

Other comprehensive income for the nine months ended 31 March 2015

Total comprehensive income for the nine months ended 31 March 2015

Balance as at 31 March 2015 - (Un-audited)

Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax

Adjustment due to impact of IAS-39 on sponsor's loan

loss for the quarter ended 30 June 2015

Other comprehensive loss for the quarter ended 30 June 2015

Total comprehensive loss for the quarter ended 30 June 2015

Balance as at 30 June 2015 - (audited)

Transferred from surplus on revaluation of operating fixed assets - net of deferred income tax

Adjustment due to change in repayment terms of sponsor's loan (Note 6.1)


Profit for the nine months ended 31 March 2016

Other comprehensive loss for the nine months ended 31 March 2016

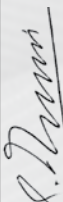
Total comprehensive income for the nine months ended 31 March 2016

Balance as at 31 March 2016 - (Un-audited)

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


AAMIR FAYYAZ SHEIKH

Chief Executive


SHAHBAZ MUNIR

Director

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2016

1. THE GROUP AND ITS OPERATIONS

1.1 Holding company

Kohinoor Mills Limited ("the Company") is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 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.

1.2 Subsidiary company

Q Mart Corporation (Private) Limited ("the Subsidiary Company"), a wholly owned subsidiary of Kohinoor Mills Limited was incorporated in Pakistan on 18 July 2005 as a private limited company under the Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The principal activity of the Subsidiary Company was to carry on business as a retailer in all types of general merchandise.

During the year ended 30 June 2013, the Holding Company, in line with its decision to focus on its core fabric business, has decided to pull out of retail business and has accordingly shut-down all Q-Mart retail stores. The Subsidiary Company has disposed of all assets except for freehold land and building on freehold land. A large number of receivables and payables have been settled. As the Subsidiary Company has ceased trading and disposed of majority of its assets, hence, the Subsidiary Company is not considered a going concern. All assets and liabilities of the Subsidiary Company reported in these consolidated financial statements are based on estimated realizable / settlement values.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the nine months ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2015.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 2015.

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	1,811,907,803	1,961,062,954
Add : Adjustment due to impact of IAS - 39	173,989,652	273,416,786
Less: Repaid / adjusted during the period / year	689,136,213	284,216,064
Less: Gain on recognition of long term financing at fair value during the period / year	-	138,355,873
	<u>1,296,761,242</u>	<u>1,811,907,803</u>
Less: Current portion shown under current liabilities	360,554,877	279,032,044
	<u>936,206,365</u>	<u>1,532,875,759</u>
6. SPONSOR'S LOAN		
Interest free loan	272,000,000	272,000,000
Equity portion of sponsor loan:		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	38,171,480
Adjustment due to change in repayment terms (Note 6.1)	75,144,631	-
	<u>-</u>	<u>(75,144,631)</u>
Less: Transferred to current liabilities	272,000,000	-
	<u>-</u>	<u>196,855,369</u>

- 6.1 This represents unsecured interest free loan obtained from director of the Holding Company. Previously, this was repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2015, initial gain and impact of IAS-39 'Financial Instruments' on sponsor's loan was corrected retrospectively and recognized directly in equity, previously these were recognized in profit and loss account. During the current period, terms of repayment of loan have been changed w.e.f 01 July 2015. Now, this loan is repayable on demand. Consequently, the equity portion of loan amounting to Rupees 75.145 million (unwinded portion of difference between present value of loan at initial recognition and cash received) as on 30 June 2015 has been transferred to the carrying value of loan, which has now been presented in current liabilities.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Holding Company

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 2015.

7.2 Commitments

Holding Company

- (i) Aggregate commitments for capital expenditures and revenue expenditures are amounting to Rupees 4.714 million and Rupees 17.351 million (30 June 2015: Rupees NIL and Rupees 26.230 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 245.575 million (30 June 2015: Rupees 127.752 million).

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 8.1)	3,650,891,776	3,782,802,726
Capital work-in-progress (Note 8.2)	127,565,607	30,995,367
	<u>3,778,457,383</u>	<u>3,813,798,093</u>
Intangible assets - computer software (Note 8.3)	-	-
	<u>3,778,457,383</u>	<u>3,813,798,093</u>
8.1 Operating fixed assets		
Opening net book value	3,782,802,726	3,526,145,656
Add: Revaluation surplus arising on land and building during the period / year	-	361,748,466
Cost of additions during the period / year (Note 8.1.1)	49,403,426	142,061,012
	<u>3,832,206,152</u>	<u>4,029,955,134</u>
Less: Book value of deletions during the period / year (Note 8.1.2)	15,327,502	18,396,790
Depreciation charged during the period / year	165,986,874	228,755,618
	<u>3,650,891,776</u>	<u>3,782,802,726</u>

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8.1.1 Cost of additions		
Factory Building	2,657,607	19,415,778
Plant and machinery	30,303,887	84,831,542
Electric installations	1,902,083	8,717,937
Furniture, fixtures and equipments	655,534	4,870,324
Computers	1,714,795	2,524,124
Motor Vehicles	12,169,520	21,701,307
	<u>49,403,426</u>	<u>142,061,012</u>
8.1.2 Book value of deletions		
Plant and machinery	3,700,449	12,940,362
Furniture, fixtures and equipment	-	356,792
Computers	19,289	-
Motor Vehicles	11,607,764	5,099,636
	<u>15,327,502</u>	<u>18,396,790</u>
8.2 Capital work-in-progress		
Civil works	32,641,496	23,478,029
Plant and machinery	93,657,809	-
Advances for Capital expenditures	1,266,302	7,517,338
	<u>127,565,607</u>	<u>30,995,367</u>
8.3 Intangible asset - computer software has been fully amortized but still in the use of the Group.		

9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises associated undertakings, other related parties, key management personnel and provident fund trust. The group in the normal course of business carries out transactions with related parties. Detail of transaction with related parties are as follow:

	Nine Months ended		Quarter ended	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Other related parties				
Loan repaid to spouse of a director	13,100,000	-	2,000,000	-
Remuneration paid to Chief Executive Officer, Directors and Executives	81,369,767	72,177,586	28,394,044	22,224,457
Contribution to employees' provident fund trust	13,997,349	13,122,642	4,720,396	4,362,663
			<u>Un-audited 31 March 2016 Rupees</u>	<u>Audited 30 June 2015 Rupees</u>
Period end Balances				
Payable to related party			56,900,000	70,000,000
Payable to employees' provident fund trust			1,184,565	1,266,662

10. ANALYSIS BY SEGMENT (Un-audited)

10.1 Operating Segment

Nine month ended 31 March 2016

	Weaving	Dyeing	Power Generation	Retail	Total-Group
	Rupees	Rupees	Rupees	Rupees	Rupees
Total Sale	2,757,044,395	4,832,124,879	522,854,125	-	8,112,023,399
Intersegment Sale	(1,182,235,056)	(40,740,230)	(522,854,125)	-	(1,745,829,411)
External Sale	1,574,809,339	4,791,384,649	-	-	6,366,193,988
Profit / (loss) from operation before taxation and unallocated income / expenses	108,903,470	436,885,857	(10,568,883)	(4,914,527)	530,305,917
Other income and expense-Net					10,447,370
Profit from operations					540,753,287
Finance Cost					(332,680,555)
Taxation					(62,879,067)
Profit after taxation					145,193,665

	Weaving	Dyeing	Power Generation	Retail	Total-Group
	Rupees	Rupees	Rupees	Rupees	Rupees

Nine month ended 31 March 2015

Total Sale	2,929,091,626	4,432,031,668	646,205,089	-	8,007,328,383
Intersegment Sale	(1,389,747,627)	(41,944,839)	(646,205,089)	-	(2,077,897,555)
External Sale	1,539,343,999	4,390,086,829	-	-	5,929,430,828
Profit / (loss) from operation before taxation and unallocated income / expenses	123,724,538	340,678,209	21,403,861	(3,759,186)	482,047,422
Other income and expense-Net					393,146
Profit from operations					482,440,568
Finance Cost					(264,915,988)
Taxation					(76,325,955)
Profit after taxation					141,198,625

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

11. 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 2015.

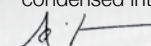
12. AUTHORIZED FOR ISSUE

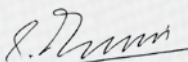
This unconsolidated condensed interim financial information was authorized for issue on 25 April 2016 by the Board of Directors of the Group.

13. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made, except for retrospective correction of sponsor's loan as detailed in note 6.1 to this consolidated condensed interim financial information.


AAMIR FAYYAZ SHEIKH
Chief Executive


SHAHBAZ MUNIR
Director



Kohinoor Mills Limited

8-Kilometer, Manga Raiwind Road,
District Kasur, Pakistan