

# Kohinoor Mills Limited



**FIRST QUARTERLY REPORT**  
**30 September 2018**

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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. Shahbaz Munir	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

## Audit Committee

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

## Human Resource & Remuneration Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	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  
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 LINES: (92-42) 36369340  
FAX: (92-42) 36369340 Ext: 444  
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,  
37310466  
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



# Financial Statements

For the quarter ended 30 September 2018

## DIRECTORS' REVIEW

The Directors of the Company are pleased to present the interim financial statements for the quarter ended 30 September 2018.

### Operating & Financial Results

During the quarter ended 30 September 2018, your company earned a gross profit of Rs. 345 million on sales of Rs. 2,927 million compared to gross profit of Rs. 368 million on sales of Rs. 2,752 million for the corresponding period of previous financial year. During the period under review, your company recorded a net profit of Rs. 41 million (EPS: Rs. 0.81 per share), compared to net profit of Rs. 81 million (EPS: Rs. 1.6 per share) in the corresponding period.

A brief overview of performance of your company for the quarter ended 30 September 2018 is discussed below.

### Weaving Division

The management was able to reap rewards of its BMR expansion plan in this division with installation of 84 new high speed air jet looms. This has resulted in 60% increase in weaving's existing production capacity. All new 84 looms are operational now. Management is of the view that 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.

### Dyeing Division

Sluggish demand in overseas market, raw material price-hike coupled with high utility cost has 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, has recently been completed. Furthermore the company has received fabric orders from our customers which will engage full production capacity till December 2018

### Genertek Division

The overall energy costs has escalated significantly during the period under review, the rise in coal, RLNG and HFO has resulted in decreased margins in already cut throat market. In order to resolve this issue, the management is considering to install fuel efficient gas engine.

The rise in coal prices has increased the cost of steam production. Management is considering use of seasonal bio-mass fuels instead of coal to reduce the cost of steam.

### Future Prospects

The cost of doing business in the country is much higher than other countries in the region and it is hampering the future prospects of our textile exports. Therefore, for export revival, the Government's continued support with favorable policies and a keen resolve to see through their implementation is extremely essential.

However, the management has kept its commitment 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:  
24 October 2018



AAMIR FAYYAZ SHEIKH  
Chief Executive



ASAD FAYYAZ SHEIKH  
Director

# CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Note	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
80,000,000 (30 June 2018: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2018: 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>
<b>Issued, subscribed and paid-up share capital</b>			
50,911,011 (30 June 2018: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
<b>Capital reserves</b>			
Share premium reserve		213,406,310	213,406,310
Fair value reserve		45,822,419	45,822,419
Surplus on revaluation of operating fixed assets - net of tax		1,865,353,548	1,875,429,430
<b>Revenue reserves</b>			
General reserve		1,002,025,528	1,002,025,528
Accumulated loss		(487,390,017)	(538,840,013)
<b>Total Equity</b>		<u>3,148,327,898</u>	<u>3,106,953,784</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing - secured	5	728,586,662	714,981,736
Deferred liabilities		252,641,621	259,180,425
		<u>981,228,283</u>	<u>974,162,161</u>
<b>Current liabilities</b>			
Trade and other payables		1,396,113,157	1,431,614,471
Accrued mark-up		53,801,499	57,918,203
Sponsor's loan		272,000,000	272,000,000
Short term borrowings - secured		3,087,796,000	2,766,332,000
Current portion of long term financing	5	172,613,808	230,251,470
Provision for taxation		35,779,291	20,488,000
Unclaimed dividend		5,214,079	5,214,080
		<u>5,023,317,834</u>	<u>4,783,818,224</u>
<b>Total Liabilities</b>		<u>6,004,546,117</u>	<u>5,757,980,385</u>
<b>Contingencies and commitments</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>9,152,874,015</u></u>	<u><u>8,864,934,169</u></u>

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



AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets	7	4,876,468,462	4,929,718,807
Intangible asset	8	-	-
Investment properties		21,686,761	21,778,199
Long term investments		58,161,750	58,161,750
Long term security deposits		22,032,757	22,032,757
		<u>4,978,349,730</u>	<u>5,031,691,513</u>
<b>Current assets</b>			
Stores, spares and loose tools		372,043,080	367,434,705
Stock-in-trade		1,341,246,680	1,153,505,319
Trade debts		1,431,523,521	1,359,170,774
Advances		159,333,080	120,569,457
Trade deposits and short term prepayments		37,255,274	20,555,648
Other receivables		586,555,507	563,715,816
Sales tax recoverable		153,575,064	153,300,707
Cash and bank balances		92,992,079	94,990,230
		<u>4,174,524,285</u>	<u>3,833,242,656</u>
<b>TOTAL ASSETS</b>		<u><u>9,152,874,015</u></u>	<u><u>8,864,934,169</u></u>

  
ASAD FAYYAZ SHEIKH  
 DIRECTOR



**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT** (Un-audited)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Note	30 September 2018 Rupees	30 September 2017 Rupees
REVENUE		2,927,700,805	2,752,458,659
COST OF SALES	9	(2,582,272,696)	(2,384,041,926)
GROSS PROFIT		345,428,109	368,416,733
DISTRIBUTION COST		(140,593,191)	(119,437,962)
ADMINISTRATIVE EXPENSES		(71,604,494)	(63,363,958)
OTHER EXPENSES		(4,762,451)	(25,318,834)
		(216,960,136)	(208,120,754)
OTHER INCOME		128,467,973	160,295,979
		25,316,589	10,298,972
PROFIT FROM OPERATIONS		153,784,562	170,594,951
FINANCE COST		(77,206,314)	(62,086,460)
PROFIT BEFORE TAXATION		76,578,248	108,508,491
TAXATION		(35,204,134)	(27,217,454)
PROFIT AFTER TAXATION		41,374,114	81,291,037
EARNINGS PER SHARE - BASIC AND DILUTED		0.81	1.60

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



AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ASAD FAYYAZ SHEIKH  
DIRECTOR

**CONDENSED INTERIM**  
**STATEMENT OF COMPREHENSIVE INCOME** (Un-audited)  
 FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	30 September 2018 Rupees	30 September 2017 Rupees
PROFIT AFTER TAXATION	41,374,114	81,291,037
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>41,374,114</b>	<b>81,291,037</b>

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AAMIR FAYYAZ SHEIKH  
 CHIEF EXECUTIVE



KAMRAN SHAHID  
 CHIEF FINANCIAL OFFICER



ASAD FAYYAZ SHEIKH  
 DIRECTOR

**CONDENSED INTERIM  
CASH FLOW STATEMENT** (Un-audited)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	30 September 2018 Rupees	30 September 2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	76,578,248	108,508,491
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	68,235,686	46,514,009
Impairment Loss on operating fixed assets	-	13,919,651
Depreciation on Investment property	91,438	97,082
Adjustment due to impact of IAS - 39	7,500,000	10,039,941
Finance cost	69,706,314	52,046,519
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES</b>		
	222,111,686	231,125,693
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(4,608,375)	35,144,826
Stock-in-trade	(187,741,361)	(89,352,399)
Trade debts	(72,352,747)	(256,699,013)
Advances	(38,763,623)	(122,410,272)
Trade deposits and short term prepayments	(16,699,626)	(9,544,986)
Other receivables	(5,209,324)	(64,659,185)
Sales tax recoverable	(274,357)	22,656,747
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(35,501,314)	31,239,183
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>		
	(361,150,727)	(453,625,099)
<b>CASH USED IN OPERATIONS</b>		
	(139,039,041)	(222,499,406)
Income tax paid	(38,118,369)	(24,815,202)
Long term security deposits paid	-	(124,270)
Finance cost paid	(87,286,664)	(30,279,656)
	(125,405,033)	(55,219,128)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		
	(264,444,074)	(277,718,534)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(14,985,341)	(24,495,756)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
	(14,985,341)	(24,495,756)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing-net	(44,032,736)	180,480,198
Short term borrowings - net	321,464,000	127,251,001
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		
	277,431,264	307,731,199
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(1,998,151)	5,516,909
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		
	94,990,230	69,365,752
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
	92,992,079	74,882,661

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



AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER




ASAD FAYYAZ SHEIKH  
DIRECTOR

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

## FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	RESERVES										TOTAL EQUITY
	SHARE CAPITAL			CAPITAL RESERVES			REVENUE RESERVES				
	Share premium reserve	Fair value reserve	Surplus on revaluation of operating fixed assets - net of tax	Sub-total	General reserve	Accumulated loss	Sub-total	Total reserves			
<b>Balance as at 01 July 2017 - (audited)</b>	509,110,110	213,406,310	37,520,895	1,061,413,426	1,312,340,631	1,058,027,640	(797,776,071)	260,251,569	1,572,592,200	2,081,702,310	
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	(4,969,943)	(4,969,943)	-	-	4,969,943	-	-	-
Profit for the quarter ended 30 September 2017	-	-	-	-	-	-	-	81,291,037	81,291,037	81,291,037	81,291,037
Other comprehensive income for the quarter ended 30 September 2017	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2017	-	-	-	-	-	-	-	81,291,037	81,291,037	81,291,037	81,291,037
<b>Balance as at 30 September 2017 - (Un-audited)</b>	509,110,110	213,406,310	37,520,895	1,056,443,483	1,307,370,688	1,058,027,640	(711,515,091)	346,512,549	1,653,883,237	2,162,993,347	
Transaction with owners - Final dividend for the year ended 30 June 2017 @ Rupee 1.10 per share of Rupees 10 each	-	-	-	-	-	(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	-	-	-	(14,909,828)	(14,909,828)	-	-	14,909,828	-	-	-
Surplus on revaluation of operating fixed assets - adjustment due to change in tax rate	-	-	-	2,410,950	2,410,950	-	-	-	-	2,410,950	2,410,950
Profit for the nine months ended 30 June 2018	-	-	8,301,524	831,484,825	839,786,349	-	-	157,765,250	157,765,250	157,765,250	157,765,250
Other comprehensive income for the nine months ended 30 June 2018	-	-	-	-	-	-	-	-	-	839,786,349	839,786,349
Total comprehensive income for the nine months ended 30 June 2018	-	-	8,301,524	831,484,825	839,786,349	-	-	157,765,250	157,765,250	997,551,599	997,551,599
<b>Balance as at 30 June 2018 - (audited)</b>	509,110,110	213,406,310	45,822,419	1,875,429,430	2,134,658,169	1,002,025,528	(538,840,013)	463,185,515	2,597,843,674	3,106,953,784	
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	(10,075,882)	(10,075,882)	-	-	10,075,882	-	-	-
Profit for the quarter ended 30 September 2018	-	-	-	-	-	-	-	41,374,114	41,374,114	41,374,114	41,374,114
Other comprehensive income for the quarter ended 30 September 2018	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2018	-	-	-	-	-	-	-	41,374,114	41,374,114	41,374,114	41,374,114
<b>Balance as at 30 September 2018 - (Un-audited)</b>	509,110,110	213,406,310	45,822,419	1,865,353,548	2,124,582,277	1,002,025,528	(487,390,017)	514,635,511	2,639,217,798	3,148,327,898	

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



**AAMIR FAYYAZ SHEIKH**  
CHIEF EXECUTIVE



**KAMRAN SHAHID**  
CHIEF FINANCIAL OFFICER



**ASAD FAYYAZ SHEIKH**  
DIRECTOR

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 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, 2107) 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 condensed interim financial information is un-audited and is being submitted to shareholders as required by Companies Act, 2017. This condensed interim financial information of the Company for the quarter ended 30 September 2018 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2018.

## 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 2018.

## 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 2018.

## 5. LONG TERM FINANCING -SECURED

	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
Financing from banking companies	901,200,470	945,233,206
Less: Current portion shown under current liabilities	172,613,808	230,251,470
	728,586,662	714,981,736

## 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 2018.

### 6.2 Commitments

- (i) Aggregate commitments for capital expenditures and revenue expenditures are amounting to Rupees 0.000 million and Rupees 45.860 million (30 June 2018: Rupees 2.027 million and Rupees 19.640 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 424.502 million (30 June 2018: Rupees 119.521 million).

	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>7. FIXED ASSETS</b>		
<b>Property, plant and equipment</b>		
Operating fixed assets (Note 7.1)	4,848,333,028	4,916,568,714
Capital work-in-progress (Note 7.2)	28,135,434	13,150,093
	<u>4,876,468,462</u>	<u>4,929,718,807</u>
<b>Intangible asset - computer software (Note 8)</b>	-	-
	<u>4,876,468,462</u>	<u>4,929,718,807</u>
<b>7.1 Operating fixed assets</b>		
Opening net book value	4,916,568,714	3,384,933,889
Add: Revaluation surplus arising on land and building during the period / year	-	855,798,743
Add: Cost of additions during the period / year (Note 7.1.1)	-	925,442,742
	<u>4,916,568,714</u>	<u>5,166,175,374</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	-	13,684,088
Depreciation charged during the period / year	68,235,686	224,512,524
Impairment loss	-	11,410,048
	<u>4,848,333,028</u>	<u>4,916,568,714</u>
<b>7.1.1 Cost of additions</b>		
Factory building	-	1,757,641
Plant and machinery	-	887,186,490
Electric installations	-	9,151,912
Furniture, fixtures and equipments	-	17,479,469
Computers	-	1,215,000
Motor vehicles	-	8,652,230
	<u>-</u>	<u>925,442,742</u>

	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	-	11,546,891
Motor vehicles	-	2,137,197
	-	13,684,088
<b>7.2 Capital work-in-progress</b>		
Plant and machinery	20,962,222	4,398,724
Stores held for capital expenditures	7,173,212	7,251,369
Letter of credits	-	1,500,000
	28,135,434	13,150,093
8. Intangible asset - computer software has been fully amortized but still in the use of the Company.		
<b>9. COST OF SALES</b>		
Raw material consumed	1,895,592,268	1,759,236,930
Chemicals consumed	212,984,161	199,820,473
Salaries, wages and other benefits	130,809,251	127,334,545
Employee's provident fund contributions	4,772,462	4,503,888
Cloth conversion and processing charges	3,424,792	6,655,573
Fuel, oil and power	290,231,948	208,623,198
Stores, spares and loose tools	50,157,586	49,015,486
Packing material	19,769,271	19,951,067
Repair and maintenance	4,787,835	17,390,281
Insurance	4,506,497	1,998,802
Other manufacturing expenses	10,384,987	12,036,041
Depreciation on operating fixed assets	64,593,937	43,749,234
	2,692,014,995	2,450,315,518
<b>Work-in-process inventory</b>		
Opening stock	191,321,471	185,313,571
Closing stock	(192,615,777)	(263,152,580)
	(1,294,306)	(77,839,009)
Cost of goods manufactured	2,690,720,689	2,372,476,509
Cost of yarn and cloth purchased for resale	-	6,156,708
	2,690,720,689	2,378,633,217
<b>Finished goods inventory</b>		
Opening stock	650,144,777	535,748,907
Closing stock	(758,592,770)	(530,340,198)
	(108,447,993)	5,408,709
	2,582,272,696	2,384,041,926

## 10. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of 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:

	Un-audited 30 September 2018 Rupees	Un-audited 30 September 2017 Rupees
Remuneration paid to Chief Executive Officer, Directors and Executives	26,549,098	21,310,416
Contribution to employees' provident fund trust	6,508,402	6,246,629

## 11. ANALYSIS BY SEGMENT (Un-audited)

### 11.1 Operating Segment

#### Quarter ended 30 September 2018

	Weaving Rupees	Dyeing Rupees	Power Generation Rupees	Total- Company Rupees
Total Sale	1,567,314,615	2,012,900,875	220,003,211	3,800,218,701
Intersegment Sale	(622,215,654)	(30,299,031)	(220,003,211)	(872,517,896)
External Sale	945,098,961	1,982,601,844	-	2,927,700,805
Profit from operation before taxation and unallocated income / expense	65,101,991	64,857,774	3,270,659	133,230,424
Other income and expense-Net				20,554,138
Profit from operations				153,784,562
Finance Cost				(77,206,314)
Taxation				(35,204,134)
Profit after taxation				41,374,114

#### Quarter ended 30 September 2017

Total Sale	1,147,876,427	2,118,640,412	199,042,680	3,465,559,519
Intersegment Sale	(495,724,074)	(18,334,106)	(199,042,680)	(713,100,860)
External Sale	652,152,353	2,100,306,306	-	2,752,458,659
Profit from operation before taxation and unallocated income / expense	20,150,840	166,829,179	(1,365,206)	185,614,813
Other income and expense-Net				(15,019,862)
Profit from operations				170,594,951
Finance Cost				(62,086,460)
Taxation				(27,217,454)
Profit after taxation				81,291,037

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 2018.

## 13. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2018 of Rupees 1.20 per share (2017: 1.10) at their meeting held on 13 September 2018.

This will be payable upon approval by the company in its Annual General Meeting

## 14. AUTHORIZED FOR ISSUE

This condensed interim financial information was authorized for issue on 24 October 2018 by the Board of Directors of the Company.

## 15. 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 rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these financial statements.



AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ASAD FAYYAZ SHEIKH  
DIRECTOR



**Kohinoor Mills Limited**

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