

Third Quarterly Report 31 March 2014



Kohinoor Mills Limited

CONTENTS

Kohinoor Mills Limited

Company Information	02
Directors' Report	04
Unconsolidated Condensed Interim Balance Sheet.....	06
Unconsolidated Condensed Interim Profit and Loss Account	08
Unconsolidated Condensed Interim Statement of Comprehensive Income	09
Unconsolidated Condensed Interim Cash Flow Statement.....	10
Unconsolidated Condensed Interim Statement of Changes in Equity.....	11
Selected Notes to the Unconsolidated Condensed Interim Financial Information	12

Kohinoor Mills Limited and its subsidiary

Consolidated Condensed Interim Balance Sheet	20
Consolidated Condensed Interim Profit and Loss Account	22
Consolidated Condensed Interim Statement of Comprehensive Income	23
Consolidated Condensed Interim Cash Flow Statement.....	24
Consolidated Condensed Interim Statement of Changes in Equity.....	25
Selected Notes to the Consolidated Condensed Interim Financial Information	26

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. Faisal Sharif

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

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) 3639340

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 personal goods
sector at all three Stock Exchanges of Pakistan.

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



Financial Statements

DIRECTORS' REPORT

The Directors of the Company are pleased to present the un-audited interim financial statements for the nine months ended March 31, 2014. These interim financial statements are presented in accordance with the requirements of the Companies Ordinance, 1984.

Operating & Financial Results

During the nine months ended March 31, 2014, your company earned a gross profit of Rs. 851 million on sales of Rs. 5,794 million compared to gross profit of Rs. 1,041 million on sales of Rs. 6,199 million for the corresponding period of previous financial year. Gross margin was at 14.7% compared to 16.8% in the corresponding period last year. During the period under review, your company recorded a net profit of Rs. 125 million, compared to net profit of Rs. 1,057 million, which included Rs. 823 million as one-time gain on recognition of financial liabilities at fair value under IAS 39 in the corresponding period. The Earning per share was Rs. 2.46 compared to Rs. 20.75 for corresponding period in previous financial year.

Slow-down in high-street retail sector sales in the US and European markets, strengthening Rupee and increasing competition from India and China during the period under review resulted in decline in turnover and reduction in margins.

Weaving Division

Optimal capacity utilization and increase in export volume resulted in improvement in profits in this division. Keeping in view the good order position, the management is confident that the performance in this division will be maintained, going forward.

Dyeing Division

Pak Rupee appreciation, competition from China and other emerging markets continued to pressure the sales and margins in this division during the nine months under review. Being the flagship division of the Company, management is intensifying its marketing push in this division and is hopeful that its performance will be improved.

Genertek Division

Consistent scheduled supply of electricity and gas from LESCO and SNGPL, respectively, helped the company avoid reliance on more expensive HFO-based power generation. However, the tariff-increase for both electricity and gas during the nine months under review resulted in dilution of any potential savings.

In view of the worsening gas and electricity supply situation in the country in the long run, the management is earnestly considering various alternate-fuel based energy options. The installation of bio-fuel based boiler was completed during the period under review. The management is further exploring different options for alternate-fuel fired power generation.

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, pulled out of retail business and shut-down all its Q-Mart retails stores during previous financial year. The management is in the process of disposing of the remaining fixed assets of this company.

Future Prospects

Keeping in view a difficult macro-economic scenario with appreciating Pak Rupee, increasing competition in textiles from China, India and other emerging markets and further to reap advantages accruing from grant of GSP-plus status to Pakistan by the EU, your management has devised a detailed marketing-oriented strategy. For increased revenues and better margins, the management is intensifying its marketing efforts, focusing on market development and penetration, product development, especially niche products for famous brands and technical textiles. For cost-savings, the management is ensuring better supply-chain management of raw materials and increased reliance on alternate fuels for power-generation. Therefore, the management is confident that the company shall be able to improve its 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:
28 April 2014

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2014

	Note	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2013: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2013: 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 2013: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		160,576,331	12,324,332
Total equity		669,686,441	521,434,442
Surplus on revaluation of operating fixed assets - net of deferred income tax		770,460,299	785,458,501
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	1,884,069,093	1,994,125,496
Sponsor's loan		272,000,000	272,000,000
Deferred liabilities		538,819,577	483,022,877
		<u>2,694,888,670</u>	<u>2,749,148,373</u>
Current liabilities			
Trade and other payables		848,680,449	814,538,309
Accrued markup		120,414,996	110,743,721
Short term borrowings - secured		746,271,873	671,405,785
Current portion of long term financing	5	120,566,652	127,360,657
Provision for taxation		4,700,465	79,975,000
		<u>1,840,634,435</u>	<u>1,804,023,472</u>
Total Liabilities		4,535,523,105	4,553,171,845
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		5,975,669,845	5,860,064,788

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


AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	3,474,729,093	3,354,568,091
Long term investments		78,304,191	82,235,864
Long term security deposits		20,587,740	20,587,740
		<u>3,573,621,024</u>	<u>3,457,391,695</u>
Current assets			
Stores, spares and loose tools		379,992,065	315,856,083
Stock-in-trade		821,895,470	614,534,124
Trade debts		411,814,151	679,533,395
Advances		64,346,097	90,306,682
Trade deposits and short term prepayments		26,965,499	7,595,341
Other receivables		229,676,142	237,728,166
Sales tax recoverable		209,290,535	195,540,934
Short term investments		145,344,925	132,357,244
Cash and bank balances		112,723,937	129,221,124
		<u>2,402,045,821</u>	<u>2,402,673,093</u>
TOTAL ASSETS		<u><u>5,975,669,845</u></u>	<u><u>5,860,064,788</u></u>


RASHID AHMED
 Chairman

UNCOSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	Note	Nine months ended		Quarter ended	
		31 March 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
SALES		5,794,028,990	6,199,446,551	1,782,355,768	2,060,924,466
COST OF SALES	8	(4,942,744,708)	(5,158,728,402)	(1,589,738,376)	(1,767,553,615)
GROSS PROFIT		851,284,282	1,040,718,149	192,617,392	293,370,851
DISTRIBUTION COST		(324,977,865)	(474,109,317)	(92,285,328)	(180,147,239)
ADMINISTRATIVE EXPENSES		(157,259,296)	(135,772,911)	(58,986,232)	(46,113,964)
OTHER OPERATING EXPENSES	9	(19,644,274)	(195,013,321)	(2,744,011)	5,254,721
		(501,881,435)	(804,895,549)	(154,015,571)	(221,006,482)
		349,402,847	235,822,600	38,601,821	72,364,369
OTHER OPERATING INCOME	10	58,729,473	1,186,980,867	11,193,000	188,308,233
PROFIT FROM OPERATIONS		408,132,320	1,422,803,467	49,794,821	260,672,602
FINANCE COST		(278,898,941)	(309,951,425)	(77,958,284)	(83,852,113)
PROFIT / (LOSS) BEFORE TAXATION		129,233,379	1,112,852,042	(28,163,463)	176,820,489
TAXATION		(3,745,523)	(56,205,842)	30,765,873	(18,155,032)
PROFIT AFTER TAXATION		125,487,856	1,056,646,200	2,602,410	158,665,457
EARNINGS PER SHARE - BASIC AND DILUTED		2.46	20.75	0.05	3.12

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Chairman

UNCOSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	Nine months ended		Quarter ended	
	31 March 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
PROFIT AFTER TAXATION	125,487,856	1,056,646,200	2,602,410	158,665,457
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurment of available for sale investments to fair value	12,987,680	46,033,450	-	6,380,000
Reclassification adjustment relating to disposal of available for sale investment	-	(23,775,070)	-	(73,196,010)
Deferred income tax relating to surplus on remeasurment of available for sale investment to fair value	(3,311,858)	(5,190,531)	-	-
Other comprehensive income / (loss) for the period - net of tax	9,675,822	17,067,849	-	(66,816,010)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	135,163,678	1,073,714,049	2,602,410	91,849,447

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


AAMIR FAYYAZ SHEIKH
 Chief Executive


RASHID AHMED
 Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2014

	31 March 2014 Rupees	31 March 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	129,233,379	1,112,852,042
Adjustment for non-cash charges and other items:		
Depreciation	162,880,937	162,959,457
Amortization of intangible asset	648,517	666,780
Dividend income	(1,287,334)	(1,287,334)
Provision for doubtful debts	-	90,133,187
Debit balances written off	-	7,379,754
Gain on sale of operating fixed assets	(1,555,290)	(47,330,746)
Gain on sale of investment	-	(137,818,006)
Impairment loss on investment in subsidiary company	3,931,673	63,232,263
Gain on recognition of long term financing at fair value	-	(823,284,995)
Adjustment due to impact of IAS - 39	82,201,314	60,602,154
Accrued markup written back	-	(50,763,823)
Finance cost	196,697,627	249,349,271
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	572,750,823	686,690,004
(Increase) / decrease in current assets		
Stores, spares and loose tools	(64,135,982)	(88,333,472)
Stock-in-trade	(207,361,346)	(152,379,645)
Trade debts	267,719,244	52,755,686
Advances	25,960,585	(43,723,648)
Trade deposits and short term prepayments	(19,370,158)	1,593,820
Other receivables	21,914,950	(25,232,413)
Sales tax recoverable	(13,749,601)	(43,365,905)
Increase in current liabilities		
Trade and other payables	34,142,140	181,209,966
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	45,119,832	(117,475,611)
CASH GENERATED FROM OPERATIONS	617,870,655	569,214,393
Income tax paid	(76,266,881)	(65,040,551)
Net decrease in long term security deposits	-	195,000
Finance cost paid	(153,067,495)	(129,857,354)
	(229,334,376)	(194,702,905)
NET CASH GENERATED FROM OPERATING ACTIVITIES	388,536,279	374,511,488
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(291,177,223)	(103,346,486)
Capital expenditure on intangible asset	-	(219,160)
Proceeds from disposal of property, plant and equipment	9,042,057	5,286,775
Dividend received	1,287,334	1,287,334
Proceeds from disposal of short term investment	-	105,266,101
NET CASH GENERATED FROM / (UTILIZED IN) INVESTING ACTIVITIES	(280,847,832)	8,274,564
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing-net	(199,051,722)	(149,975,151)
Short term borrowings - net	74,866,088	(196,982,471)
NET CASH USED IN FINANCING ACTIVITIES	(124,185,634)	(346,957,622)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,497,187)	35,828,430
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	129,221,124	108,126,535
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	112,723,937	143,954,965

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE FOR THE NINE MONTHS ENDED 31 MARCH 2014

	RESERVES							Total equity	
	Share Capital	CAPITAL RESERVES			REVENUE RESERVES				Total
		Share premium reserve	Fair value reserve	Sub-total	General reserve	Accumulated loss	Sub-total		
Balance as at 30 Jun 2012 - (audited)	509,110,110	213,406,310	85,516,926	298,923,236	1,058,027,640	(2,436,586,888)	(1,378,559,248)	(1,079,636,012)	(570,525,902)
Transfer from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	13,747,615	13,747,615	13,747,615	13,747,615
Profit for the nine months ended 31 March 2013	-	-	-	-	-	1,056,646,200	1,056,646,200	1,056,646,200	1,056,646,200
Other comprehensive income for the nine months ended 31 March 2013	-	-	17,067,849	17,067,849	-	-	-	17,067,849	17,067,849
Total comprehensive income for nine months ended 31 March 2013	-	-	17,067,849	17,067,849	-	-	-	17,067,849	17,067,849
Balance as at 31 March 2013 - (Un-audited)	509,110,110	213,406,310	102,584,775	315,991,085	1,058,027,640	(1,366,193,073)	(308,165,433)	7,825,652	516,935,762
Transfer from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	4,621,958	4,621,958	4,621,958	4,621,958
Surplus realized on disposal of operating fixed assets	-	-	-	-	-	52,359,476	52,359,476	52,359,476	52,359,476
Loss for the quarter ended 30 June 2013	-	-	-	-	-	(47,979,518)	(47,979,518)	(47,979,518)	(47,979,518)
Other comprehensive loss for the quarter ended 30 June 2013	-	-	(4,503,236)	(4,503,236)	-	-	-	(4,503,236)	(4,503,236)
Total comprehensive loss for the quarter ended 30 June 2013	-	-	(4,503,236)	(4,503,236)	-	-	-	(4,503,236)	(4,503,236)
Balance as at 30 June 2013 - (audited)	509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,357,191,157)	(299,163,517)	1,232,433,2	521,434,442
Transfer from surplus on revaluation of operating fixed assets - net of deferred income tax	-	-	-	-	-	13,088,321	13,088,321	13,088,321	13,088,321
Profit for the nine months ended 31 March 2014	-	-	-	-	-	125,487,856	125,487,856	125,487,856	125,487,856
Other comprehensive income for the nine months ended 31 March 2014	-	-	9,675,822	9,675,822	-	-	-	9,675,822	9,675,822
Total comprehensive income for the nine months ended 31 March 2014	-	-	9,675,822	9,675,822	-	-	-	9,675,822	9,675,822
Balance as at 31 March 2014 - (Un-audited)	509,110,110	213,406,310	107,757,361	321,163,671	1,058,027,640	(1,218,614,980)	(160,587,340)	160,576,331	669,686,441

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


AAMIR FAYAZ SHEIKH
 Chief Executive


RASHID AHMED
 Chairman

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

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 Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. 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 2014 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 2013.

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 2013.

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 2013.

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
5. LONG TERM FINANCING -SECURED		
Opening balance	2,121,486,153	3,244,174,198
Less: Transferred to short term borrowings during the period / year	-	76,889,329
Add: Adjustment due to impact of IAS - 39 during the period / year	82,201,314	112,590,198
Less: Repaid / adjusted during the period / year	199,051,722	334,645,346
Less: Gain on recognition of long term financing at fair value during the period / year (Note 10)	-	823,743,568
	<u>2,004,635,745</u>	<u>2,121,486,153</u>
Less: Current portion shown under current liabilities	120,566,652	127,360,657
	<u>1,884,069,093</u>	<u>1,994,125,496</u>

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 2013.

6.2 Commitments

- (i) There were no commitments for capital expenditures and revenue expenditures (30 June 2013: Rupees 51.450 million and Rupees 39.562 million respectively).
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 121.187 million (30 June 2013: Rupees 46.016 million).

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
7. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 7.1)	3,203,339,901	3,199,125,210
Capital work-in-progress (Note 7.2)	271,371,130	154,776,302
	<u>3,474,711,031</u>	<u>3,353,901,512</u>
Intangible asset - computer software (Note 7.3)	18,062	666,579
	<u>3,474,729,093</u>	<u>3,354,568,091</u>

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
7.1 Operating fixed assets		
Opening net book value	3,199,125,210	3,372,275,939
Add: Cost of additions during the period / year (Note 7.1.1)	174,582,395	129,060,160
	<u>3,373,707,605</u>	<u>3,501,336,099</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	7,486,767	84,621,049
Depreciation charged during the period / year	162,880,937	217,589,840
	<u>3,203,339,901</u>	<u>3,199,125,210</u>
7.1.1 Cost of additions		
Residential Building	-	370,400
Factory Building	44,446,622	2,941,461
Plant and machinery	62,820,667	102,456,294
Stand-by equipment	-	1,615,659
Electric installations	7,977,124	5,323,840
Furniture, fixtures and equipments	263,074	638,872
Motor vehicles	56,146,683	12,456,069
Computers	2,928,225	3,257,565
	<u>174,582,395</u>	<u>129,060,160</u>
7.1.2 Book value of deletions		
Freehold land	-	79,734,375
Plant and machinery	5,241,910	-
Furniture, fixture and equipments	-	1,840,824
Computers	-	26,018
Motor vehicles	2,244,857	3,019,832
	<u>7,486,767</u>	<u>84,621,049</u>
7.2 Capital work-in-progress		
Civil works	18,429,232	40,494,914
Plant and machinery	211,008,398	67,673,320
Advances for capital expenditures	41,933,500	46,608,068
	<u>271,371,130</u>	<u>154,776,302</u>
7.3 Intangible asset - computer software		
Opening net book value	666,579	1,531,268
Less: Amortization charged during the period / year	648,517	864,689
	<u>18,062</u>	<u>666,579</u>

	Nine months ended		Un-audited Quarter ended	
	31 March 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
	8. COST OF SALES			
Raw material consumed	3,413,121,599	3,502,953,242	1,059,796,312	1,197,919,332
Chemicals consumed	462,301,836	469,929,543	166,858,272	166,284,231
Salaries, wages and other benefits	213,772,971	180,135,783	73,199,416	58,326,107
Employee's provident fund contributions	7,997,397	6,373,231	2,713,569	3,348,678
Cloth conversion and processing charges	29,398,977	35,345,351	21,027,478	16,562,303
Fuel, oil and power	630,653,388	691,306,052	187,359,909	250,608,630
Stores, spares and loose tools	85,460,055	64,922,071	38,225,860	25,762,545
Packing material	36,842,676	36,620,544	13,404,455	12,316,826
Repair and maintenance	26,442,143	30,737,889	7,551,754	7,798,782
Insurance	5,569,582	4,275,880	1,853,728	1,004,613
Other manufacturing expenses	39,964,110	40,666,648	19,323,438	14,331,346
Depreciation	152,767,192	157,387,415	52,090,851	53,428,792
	5,104,291,926	5,220,653,649	1,643,405,042	1,807,692,185
Work-in-process inventory				
Opening stock	152,308,086	123,171,757	187,144,686	207,620,362
Closing stock	(184,202,240)	(214,672,343)	(184,202,240)	(214,672,343)
	(31,894,154)	(91,500,586)	2,942,446	(7,051,981)
Cost of goods manufactured	5,072,397,772	5,129,153,063	1,646,347,488	1,800,640,204
Cost of yarn and cloth purchased for resale	3,106,979	46,493,804	(8,608,843)	22,493,392
	5,075,504,751	5,175,646,867	1,637,738,645	1,823,133,596
Finished goods inventory				
Opening stock	314,553,948	335,090,305	399,313,722	296,428,789
Closing stock	(447,313,991)	(352,008,770)	(447,313,991)	(352,008,770)
	(132,760,043)	(16,918,465)	(48,000,269)	(55,579,981)
	4,942,744,708	5,158,728,402	1,589,738,376	1,767,553,615
9. OTHER EXPENSES				
Exchange loss - net	-	15,973,905	-	(9,976,864)
WPPF	11,128,142	15,758,178	(64,634)	10,370,980
Donations	4,132,859	1,421,558	1,526,898	72,852
Impairment loss on investment in subsidiary company	3,931,673	63,232,263	1,291,046	(5,938,161)
Debit balances written off	-	7,379,754	-	-
Provision for doubtful receivables	-	90,133,187	-	-
Miscellaneous	451,600	1,114,476	(9,299)	216,472
	19,644,274	195,013,321	2,744,011	(5,254,721)

	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	Rupees	Rupees	Rupees	Rupees
10. OTHER INCOME				
Gain on sale of available for sale investment	-	137,818,006	-	93,213,041
Dividend on equity investment	1,287,334	1,287,334	-	-
Return on bank deposits	4,569,574	4,302,515	1,422,136	979,461
Exchange gain - net	24,910,318	-	779,508	-
Accrued markup written back	-	50,763,823	-	-
Gain on recognition of long term financing at fair value (Note 5)	-	823,284,995	-	-
Bad debts recovered	-	92,948,472	-	35,670,090
Scrap sales and others	26,406,957	29,244,976	8,921,314	12,620,569
Gain on sale of operating fixed assets	1,555,290	47,330,746	70,042	45,825,072
	<u>58,729,473</u>	<u>1,186,980,867</u>	<u>11,193,000</u>	<u>188,308,233</u>

11 ANALYSIS BY SEGMENT (Un-audited)

11.1 Operating Segment

Nine month ended 31 March 2014

	Weaving	Dyeing	Power Generation	Total-Company
	Rupees	Rupees	Rupees	Rupees
Total Sale	3,213,474,005	4,251,144,332	469,711,714	7,934,330,051
Intersegment Sale	(1,655,514,543)	(15,074,804)	(469,711,714)	(2,140,301,061)
External Sale	<u>1,557,959,462</u>	<u>4,236,069,528</u>	<u>-</u>	<u>5,794,028,990</u>
Profit from operation before taxation and unallocated income / (expense)	<u>135,544,656</u>	<u>228,352,784</u>	<u>5,149,681</u>	<u>369,047,121</u>
Other income and expense-Net				39,085,199
Profit from operations				408,132,320
Finance Cost				(278,898,941)
Profit before taxation				<u>129,233,379</u>

	Weaving Rupees	Dyeing Rupees	Power Generation Rupees	Total- Company Rupees
Nine month ended 31 March 2013				
Total Sale	3,002,492,688	5,016,415,069	620,509,816	8,639,417,573
Intersegment Sale	(1,796,296,564)	(23,164,642)	(620,509,816)	(2,439,971,022)
External Sale	1,206,196,124	4,993,250,427	-	6,199,446,551
Profit from operation before taxation and unallocated income / (expense)	120,052,811	310,641,647	141,463	430,835,921
Other income and expense-Net				991,967,546
Profit from operations				1,422,803,467
Finance Cost				(309,951,425)
Profit before taxation				1,112,852,042

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

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of subsidiary company, associated undertakings, 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 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
Subsidiary company				
Purchase of goods	-	5,624,341	-	2,082,581
Rent expense	-	270,000	-	90,000
Amount paid / (received) on behalf of subsidiary company	154,918	-	(188,255)	-
Other related parties				
Remuneration paid to Chief Executive Officer, Directors and Executives	60,127,748	48,530,238	20,692,246	16,176,746
Contribution to employees' provident fund trust	11,439,686	8,794,075	3,964,066	4,621,005

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
Period end balances		
Payable to subsidiary company	566,558	721,476
Payable to related party	70,000,000	70,000,000
Payable to employees' provident fund trust	2,060,127	2,046,036

13. 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 2013.

14. AUTHORIZED FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 28 April 2014 by the Board of Directors of the Company.

15. CORRESPONDING FIGURES

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


RASHID AHMED
Chairman



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2014

	Note	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2013: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2013: 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 2013: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		162,248,288	13,375,618
Total equity		671,358,398	522,485,728
Surplus on revaluation of operating fixed assets - net of deferred income tax		797,269,201	812,888,074
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	1,884,069,093	1,994,125,496
Sponsor's loan		272,000,000	272,000,000
Deferred liabilities		538,819,577	483,022,877
		<u>2,694,888,670</u>	<u>2,749,148,373</u>
Current liabilities			
Trade and other payables		853,940,080	819,818,276
Loan from director		11,000,000	11,000,000
Accrued markup		120,414,996	110,743,721
Short term borrowings - secured		746,271,873	671,405,785
Current portion of long term financing	5	120,566,652	127,360,657
Provision for taxation		4,700,465	79,975,000
		<u>1,856,894,066</u>	<u>1,820,303,439</u>
Total liabilities		4,551,782,736	4,569,451,812
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		<u>6,020,410,335</u>	<u>5,904,825,614</u>

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


AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	3,596,153,659	3,479,531,750
Long term security deposits		20,587,740	20,587,740
		<u>3,616,741,399</u>	<u>3,500,119,490</u>
Current assets			
Stores, spares and loose tools		379,992,065	315,856,083
Stock-in-trade		821,895,470	614,534,124
Trade debts		411,814,151	679,533,395
Advances		64,346,097	90,306,682
Trade deposits and short term prepayments		26,965,499	7,595,341
Other receivables		231,202,262	239,292,847
Sales tax recoverable		209,290,535	195,174,232
Short term investments		145,344,925	132,357,244
Cash and bank balances		112,817,932	130,056,176
		<u>2,403,668,936</u>	<u>2,404,706,124</u>
TOTAL ASSETS		<u><u>6,020,410,335</u></u>	<u><u>5,904,825,614</u></u>


RASHID AHMED
 Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	Nine months ended		Quarter ended	
	31 March 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
SALES	5,794,028,990	6,286,474,180	1,782,355,768	2,067,863,208
COST OF SALES	(4,942,744,708)	(5,261,936,424)	(1,589,738,376)	(1,781,157,461)
GROSS PROFIT	851,284,282	1,024,537,756	192,617,392	286,705,747
DISTRIBUTION COST	(324,977,865)	(474,109,317)	(92,285,328)	(180,147,239)
ADMINISTRATIVE EXPENSES	(161,190,969)	(140,399,964)	(60,277,278)	(47,363,718)
OTHER OPERATING EXPENSES	(15,712,601)	(151,893,110)	(1,452,965)	28,989,246
	(501,881,435)	(766,402,391)	(154,015,571)	(198,521,711)
	349,402,847	258,135,365	38,601,821	88,184,036
OTHER OPERATING INCOME	58,729,473	1,177,826,698	11,193,000	172,637,427
PROFIT FROM OPERATIONS	408,132,320	1,435,962,063	49,794,821	260,821,463
FINANCE COST	(278,898,941)	(310,100,286)	(77,958,284)	(84,000,974)
PROFIT / (LOSS) BEFORE TAXATION	129,233,379	1,125,861,777	(28,163,463)	176,820,489
TAXATION	(3,745,523)	(69,215,577)	30,765,873	(18,155,032)
PROFIT AFTER TAXATION	125,487,856	1,056,646,200	2,602,410	158,665,457
EARNING PER SHARE - BASIC AND DILUTED	2.46	20.75	0.05	3.12

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	Nine months ended		Quarter ended	
	31 March 2014 Rupees	31 March 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
PROFIT AFTER TAXATION	125,487,856	1,056,646,200	2,602,410	158,665,457
OTHER COMPREHENSIVE INCOME/(LOSS)				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurment of available for sale investments to fair value	12,987,680	46,033,450	-	6,380,000
Reclassification adjustment relating to available for sale investment disposed of	-	(23,775,070)	-	(73,196,010)
Deferred income tax relating to surplus on remeasurment of available for sale investment to fair value	(3,311,858)	(5,190,531)	-	-
Other comprehensive income / (loss) for the period - net of tax	9,675,822	17,067,849	-	(66,816,010)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	135,163,678	1,073,714,049	2,602,410	91,849,447

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	31 March 2014 Rupees	31 March 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	129,233,379	1,125,861,777
Adjustment for non-cash charges and other items:		
Depreciation	166,420,030	170,134,343
Amortization of intangible asset	648,517	1,262,905
Dividend income	(1,287,334)	(1,287,334)
Provision for doubtful trade debts	-	90,133,187
Debit balances written off	-	14,487,953
Credit balances written back	-	(5,574,910)
Gain on sale of operating fixed assets	(1,555,290)	(28,986,060)
Impairment loss on fixed assets	-	3,920,011
Gain on sale of investment	-	(137,818,006)
Gain on recognition of long term financing at fair value	-	(823,284,995)
Adjustment due to impact of IAS - 39	82,201,314	60,602,154
Accrued markup written back	-	(50,763,823)
Finance cost	196,697,627	249,498,132
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	572,358,243	668,185,334
(Increase) / decrease in current assets		
Stores, spares and loose tools	(64,135,982)	(88,333,472)
Stock-in-trade	(207,361,346)	(130,780,654)
Trade debts	267,719,244	52,755,686
Advances	25,960,585	(44,851,183)
Trade deposits and short term prepayments	(19,370,158)	2,043,820
Other receivables	22,108,669	(30,561,145)
Sales tax recoverable	(13,749,601)	(43,365,905)
Increase in current liabilities		
Trade and other payables	33,600,184	157,283,463
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	44,771,595	(125,809,390)
CASH GENERATED FROM OPERATIONS	617,129,838	542,375,944
Income tax paid	(76,267,121)	(65,185,292)
Net decrease in long term security deposits	-	957,382
Finance cost paid	(153,067,495)	(130,006,215)
	(229,334,616)	(194,234,125)
NET CASH GENERATED FROM OPERATING ACTIVITIES	387,795,222	348,141,819
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(291,177,223)	(113,421,692)
Capital expenditure on intangible asset	-	(219,160)
Proceeds from disposal of property, plant and equipment	9,042,057	30,719,907
Dividend received	1,287,334	1,287,334
Proceeds from disposal of short term investment	-	105,266,101
NET CASH GENERATED FROM / (UTILIZED IN) INVESTING ACTIVITIES	(280,847,832)	23,632,490
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing-net	(199,051,722)	(149,975,152)
Short term borrowings - net	74,866,088	(196,982,471)
Loan from director	-	12,000,000
NET CASH USED IN FINANCING ACTIVITIES	(124,185,634)	(334,957,623)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,238,244)	36,816,686
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	130,056,176	109,248,136
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	112,817,932	146,064,822

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

	RESERVES							Total equity
	Share Capital	Capital Reserves		Revenue Reserves			Total	
		Share premium reserve	Fair value reserve	Sub-total	General reserve	Accumulated loss		
509,110,110	213,406,310	85,516,926	298,923,236	1,058,027,640	(2,436,406,720)	(1,378,379,080)	(1,079,455,844)	(570,345,734)
	-	-	-	-	-	13,747,615	13,747,615	13,747,615
	-	-	17,067,849	-	1,056,646,200	-	1,056,646,200	1,056,646,200
	-	17,067,849	17,067,849	-	-	-	17,067,849	17,067,849
	-	17,067,849	17,067,849	-	1,056,646,200	1,073,714,049	1,073,714,049	1,073,714,049
509,110,110	213,406,310	102,584,775	315,991,085	1,058,027,640	(1,366,012,905)	(307,985,265)	8,005,820	517,115,930
	-	-	-	-	5,493,075	5,493,075	5,493,075	5,493,075
	-	-	-	-	52,359,476	52,359,476	52,359,476	52,359,476
	-	-	-	-	(47,979,517)	(47,979,517)	(47,979,517)	(47,979,517)
	-	(4,503,236)	(4,503,236)	-	-	-	(4,503,236)	(4,503,236)
	-	(4,503,236)	(4,503,236)	-	(47,979,517)	(52,482,753)	(52,482,753)	(52,482,753)
509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,356,139,871)	(298,112,231)	13,375,618	522,485,728
	-	-	-	-	13,708,992	13,708,992	13,708,992	13,708,992
	-	-	9,675,822	-	125,487,856	-	125,487,856	125,487,856
	-	9,675,822	9,675,822	-	-	-	9,675,822	9,675,822
	-	9,675,822	9,675,822	-	125,487,856	135,163,678	135,163,678	135,163,678
509,110,110	213,406,310	107,757,361	321,163,671	1,058,027,640	(1,216,943,023)	(158,915,383)	162,248,288	671,358,398

(Rupees)

Balance as at 30 June 2012 - (audited)
 Transfer from surplus on revaluation of operating fixed assets
 - net of deferred income tax
 Profit for the nine months ended 31 March 2013
 Other comprehensive income for the nine months ended 31 March 2013
 Total comprehensive income for nine months ended 31 March 2013
 Balance as at 31 March 2013 - (Un-audited)
 Transfer from surplus on revaluation of operating fixed assets
 - net of deferred income tax
 Surplus realized on disposal of operating fixed assets
 Loss for the quarter ended 30 June 2013
 Other comprehensive loss for the quarter ended 30 June 2013
 Total comprehensive loss for the quarter ended 30 June 2013
 Balance as at 30 June 2013 - (audited)
 Transfer from surplus on revaluation of operating fixed assets
 - net of deferred income tax
 Profit for the nine months ended 31 March 2014
 Other comprehensive income for the nine months ended 31 March 2014
 Total comprehensive income for the nine months ended 31 March 2014
 Balance as at 31 March 2014 - (Un-audited)

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


AAMIR FAYAZ SHEIKH
 Chief Executive


RASHID AHMED
 Chairman

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited) FOR THE NINE MONTHS ENDED 31 MARCH 2014

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 Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. 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

1.2.1 Wholly owned subsidiary company Q Mart Corporation (Private) Limited is a private limited company incorporated in Pakistan, under the provisions of Companies Ordinance 1984. The registered office of the company is in Lahore. The principal activity of the company was to carry on business as a retailer in all types of general merchandise.

1.2.2 During the year, 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 fixed assets (except for freehold land and building on freehold land) and stock-in-trade. 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 2014 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 2013.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2013.

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 2013.

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	2,121,486,153	3,244,174,198
Less: Transferred to short term borrowings during the period / year	-	76,889,329
Add: Adjustment due to impact of IAS - 39 during the period / year	82,201,314	112,590,198
Less: Repaid / adjusted during the period / year	199,051,722	334,645,346
Less: Gain on recognition of long term financing at fair value during the period / year	-	823,743,568
	<u>2,004,635,745</u>	<u>2,121,486,153</u>
Less: Current portion shown under current liabilities	120,566,652	127,360,657
	<u>1,884,069,093</u>	<u>1,994,125,496</u>

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 Group for the year ended 30 June 2013.

6.2 Commitments

- (i) There are no commitments for capital expenditures and revenue expenditures (30 June 2013: Rupees 51.450 million and Rupees 39.562 million respectively).
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 121.187 million (30 June 2013: Rupees 46.016 million).

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
7. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 7.1)	3,324,764,467	3,324,088,869
Capital work-in-progress (Note 7.2)	271,371,130	154,776,302
	<u>3,596,135,597</u>	<u>3,478,865,171</u>
Intangible asset - computer software (Note 7.3)	18,062	666,579
	<u>3,596,153,659</u>	<u>3,479,531,750</u>

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
7.1 Operating fixed assets		
Opening net book value	3,324,088,869	3,544,541,241
Add: Cost of additions during the period / year (Note 7.1.1)	174,582,395	136,617,262
	<u>3,498,671,264</u>	<u>3,681,158,503</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	7,486,767	127,172,764
Depreciation charged during the period / year	166,420,030	225,976,859
Impairment loss on Operating fixed assets	-	3,920,011
	<u>3,324,764,467</u>	<u>3,324,088,869</u>
7.1.1 Cost of additions		
Residential building	-	370,400
Factory building	44,446,622	2,941,461
Building on leasehold land	-	3,936,413
Plant and machinery	62,820,667	102,456,294
Stand-by equipment	-	1,615,659
Electric installations	7,977,124	4,599,840
Furniture, fixtures and equipment	263,074	5,280,494
Motor vehicles	56,146,683	12,159,136
Computers	2,928,225	3,257,565
	<u>174,582,395</u>	<u>136,617,262</u>
7.1.2 Book value of deletions		
Freehold land	-	79,734,375
Building on leasehold	-	3,056,496
Plant and machinery	5,241,910	-
Electric installations	-	12,856,665
Furniture, fixture and equipments	-	27,079,989
Computers	-	26,018
Motor vehicles	2,244,857	4,419,221
	<u>7,486,767</u>	<u>127,172,764</u>
7.2 Capital work-in-progress		
Civil works	18,429,232	40,494,914
Plant and machinery	211,008,398	67,673,320
Advances for capital expenditures	41,933,500	46,608,068
	<u>271,371,130</u>	<u>154,776,302</u>
7.3 Intangible asset - computer software		
Opening net book value	666,579	2,127,393
Less: Amortization charged during the period / year	(648,517)	(1,460,814)
	<u>18,062</u>	<u>666,579</u>

8. ANALYSIS BY SEGMENT (Un-audited)

8.1 Operating Segment

Nine month ended 31 March 2014

	Weaving	Dyeing	Power Generation	Retail	Total-Group
	Rupees	Rupees	Rupees	Rupees	Rupees
Total Sale	3,213,474,005	4,251,144,332	469,711,714	-	7,934,330,051
Intersegment Sale	(1,655,514,543)	(15,074,804)	(469,711,714)	-	(2,140,301,061)
External Sale	1,557,959,462	4,236,069,528	-	-	5,794,028,990
Profit / (loss) from operation before taxation and unallocated income / (expense)	135,544,656	228,352,784	5,149,681	(3,931,673)	365,115,448
Other income and expense-Net					43,016,872
Profit from operations					408,132,320
Finance Cost					(278,898,941)
Profit before taxation					129,233,379

Nine month ended 31 March 2013

Total Sale	3,002,492,688	5,016,415,069	620,509,816	92,651,970	8,732,069,543
Intersegment Sale	(1,796,296,564)	(23,164,642)	(620,509,816)	(5,624,341)	(2,445,595,363)
External Sale	1,206,196,124	4,993,250,427	-	87,027,629	6,286,474,180
Profit / (loss) from operation before taxation and unallocated income / (expense)	120,052,811	310,641,647	141,463	(20,807,446)	410,028,475
Other income and expense-Net					1,025,933,588
Profit from operations					1,435,962,063
Finance Cost					(310,100,286)
Profit before taxation					1,125,861,777

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

9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises 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:

	Un-audited Nine months ended	
	31 March 2014 Rupees	31 March 2013 Rupees
Other related parties		
Remuneration paid to Chief Executive Officer, Directors and Executives	60,127,748	48,530,238
Contribution to employees' provident fund trust	11,439,686	8,794,075

	Un-audited 31 March 2014 Rupees	Audited 30 June 2013 Rupees
Period end balances		
Payable to related party	70,000,000	70,000,000
Payable to employees' provident fund trust	2,060,127	2,046,036

10. 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 2013.

11. AUTHORIZED FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on 28 April 2014 by the Board of Directors.

12. CORRESPONDING FIGURES

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


RASHID AHMED
Chairman



Kohinoor Mills Limited

8-km, Manga Raiwind Road,
Distt. Kasur - Pakistan