



Kohinoor Mills Limited



HALF YEARLY REPORT

31 December 2014

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Kamran Shahid

HEAD OF INTERNAL AUDIT

Mr. 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

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
- National Bank of Pakistan
- NIB Bank Limited
- Silk Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- 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) 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.

DIRECTORS' REPORT

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

Operating & Financial Results

During the half-year ended December 31, 2014, your company earned a gross profit of Rs. 685 million on sales of Rs. 4,034 million compared to gross profit of Rs. 659 million on sales of Rs. 4,012 million for the corresponding period of previous financial year. Gross margin was at 17% compared to 16.4% in the corresponding period last year. During the period under review, your company recorded a net profit of Rs. 103 million, compared to net profit of Rs. 123 million in the corresponding period. The Earnings per share was Rs. 2.02 compared to Rs. 2.41 for corresponding period in previous financial year.

Despite challenging demand situation in export markets, the company was able to maintain its performance during the period under review compared to corresponding financial period.

Weaving Division

The greige fabric market remained dull during the current half-year, which kept the performance under pressure in this Division. However, the management is pursuing the marketing strategy with emphasis on niche marketing and technical fabrics in export sector to improve performance, going forward.

Dyeing Division

The company was able to maintain performance in this flagship division of the company despite a dip in demand and capacity utilization. The current order book position is satisfactory and the management is optimistic that performance shall be improved in the remaining half of the year.

Genertek Division

Consistent scheduled supply of electricity and gas respectively from LESCO and SNGPL, during the period under review, helped the company curtail its energy costs. However, the sudden dip in the crude oil prices resulted in HFO-based generation becoming more cost-effective. Accordingly, the company has switched to thermal generation currently. Overall, the energy costs remained manageable during the period under review.

In view of the discouraging energy situation in the country in the long run, the management is earnestly considering various 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, has pulled out of retail business and shut-down all its Q-Mart retail stores. The management is in the process of disposing of the remaining fixed assets of this company.

Future Prospects

Despite challenging macro-economic scenario emanating from uncertain security environment, increasing competition from regional players and sluggish international demand, the Management has kept its resolve for performance improvement through better marketing by winning customer confidence and improved margins with product innovation. The current order book position of the company is satisfactory and the management is optimistic that it can, for the remaining part of the year, improve on its performance during the first half of the year.

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:
23 February 2015



FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of KOHINOOR MILLS LIMITED as at 31 December 2014 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2014.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 December 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 23 February 2015
Lahore:

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2014: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2014: 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 2014: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		382,196,471	266,153,612
Total equity		891,306,581	775,263,722
Surplus on revaluation of operating fixed assets - net of deferred income tax		760,353,174	768,718,932
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	1,591,124,475	1,711,379,960
Sponsor's loan		186,798,742	176,742,116
Deferred liabilities		553,470,045	507,523,537
		2,331,393,262	2,395,645,613
Current liabilities			
Trade and other payables		858,097,768	801,965,767
Accrued mark up		139,252,325	132,581,524
Short term borrowings - secured		743,722,769	814,194,999
Current portion of long term financing	5	288,889,790	249,682,994
Provision for taxation		38,645,310	49,029,133
		2,068,607,962	2,047,454,417
Total liabilities		4,400,001,224	4,443,100,030
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		6,051,660,979	5,987,082,684

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



AAMIR FAYYAZ SHEIKH

Chief Executive



	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
ASSETS			
Non-current assets			
Fixed assets	7	3,381,629,428	3,440,654,126
Long term investments		78,656,672	81,013,995
Long term security deposits		20,587,740	20,587,740
		<hr/> 3,480,873,840	<hr/> 3,542,255,861
Current assets			
Stores, spares and loose tools		413,181,164	317,766,166
Stock-in-trade		737,366,878	698,231,702
Trade debts		540,045,978	533,484,347
Advances		75,375,705	87,643,135
Trade deposits and short term prepayments		36,902,722	19,413,286
Other receivables		266,053,805	253,595,350
Sales tax recoverable		229,805,673	202,338,744
Short term investment		183,136,135	176,879,692
Cash and bank balances		88,919,079	155,474,401
		<hr/> 2,570,787,139	<hr/> 2,444,826,823
TOTAL ASSETS		<hr/> <hr/> 6,051,660,979	<hr/> <hr/> 5,987,082,684


RASHID AHMED
Director

**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Half year ended		Quarter ended	
		31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
SALES		4,034,263,463	4,011,673,222	2,029,655,226	2,070,572,985
COST OF SALES	8	(3,349,321,217)	(3,353,006,332)	(1,688,279,583)	(1,724,948,987)
GROSS PROFIT		684,942,246	658,666,890	341,375,643	345,623,998
DISTRIBUTION COST		(216,453,857)	(232,692,537)	(107,353,322)	(129,408,884)
ADMINISTRATIVE EXPENSES		(117,088,201)	(98,273,064)	(58,793,323)	(52,842,252)
OTHER EXPENSES		(15,551,750)	(16,900,263)	(2,427,315)	(9,948,305)
		(349,093,808)	(347,865,864)	(168,573,960)	(192,199,441)
		335,848,438	310,801,026	172,801,683	153,424,557
OTHER INCOME		20,305,877	47,536,473	9,288,822	34,666,744
PROFIT FROM OPERATIONS		356,154,315	358,337,499	182,090,505	188,091,301
FINANCE COST		(198,946,612)	(200,940,657)	(99,743,038)	(101,039,280)
PROFIT BEFORE TAXATION		157,207,703	157,396,842	82,347,467	87,052,021
TAXATION		(54,238,575)	(34,511,396)	(34,577,459)	(15,342,117)
PROFIT AFTER TAXATION		102,969,128	122,885,446	47,770,008	71,709,904
EARNINGS PER SHARE - BASIC AND DILUTED		2.02	2.41	0.94	1.41

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half year ended		Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
PROFIT AFTER TAXATION	102,969,128	122,885,446	47,770,008	71,709,904
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurement of available for sale investment to fair value	6,256,443	12,987,680	6,256,443	12,987,680
Deferred income tax relating to surplus on remeasurement of available for sale investment to fair value	(1,548,470)	(3,311,858)	(1,548,470)	(3,311,858)
Other comprehensive income for the period - net of tax	4,707,973	9,675,822	4,707,973	9,675,822
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	107,677,101	132,561,268	52,477,981	81,385,726

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

**UNCONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half year ended	
	31 December 2014 Rupees	31 December 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	157,207,703	157,396,842
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	111,031,347	107,323,651
Amortization of intangible asset	37,043	432,345
Dividend income	(1,609,167)	(1,287,334)
Gain on sale of operating fixed assets	(2,172,078)	(1,485,248)
Impairment loss on investment in subsidiary company	2,357,323	2,640,627
Adjustment due to impact of IAS - 39	61,519,747	54,800,876
Finance cost	137,426,865	146,139,781
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	465,798,783	465,961,540
(Increase) / decrease in current assets		
Stores, spares and loose tools	(95,414,998)	(58,198,874)
Stock-in-trade	(39,135,176)	(128,710,563)
Trade debts	(6,561,631)	27,933,287
Advances	12,267,431	37,553,188
Trade deposits and short term prepayments	(17,489,436)	(858,078)
Other receivables	(23,435,022)	19,927,368
Sales tax recoverable	(27,466,929)	(6,124,232)
Increase in current liabilities		
Trade and other payables	56,132,001	38,873,203
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	(141,103,760)	(69,604,701)
CASH GENERATED FROM OPERATIONS	324,695,023	396,356,839
Income tax paid	(43,013,246)	(52,917,537)
Finance cost paid	(96,990,612)	(83,357,939)
	(140,003,858)	(136,275,476)
NET CASH GENERATED FROM OPERATING ACTIVITIES	184,691,165	260,081,363
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(64,803,348)	(212,587,665)
Capital expenditure on intangible asset	(555,649)	-
Proceeds from sale of operating fixed assets	15,487,383	3,375,001
Dividend received	1,609,167	1,287,334
NET CASH USED IN INVESTING ACTIVITIES	(48,262,447)	(207,925,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(132,511,810)	(148,687,528)
Short term borrowings - net	(70,472,230)	85,143,088
NET CASH USED IN FINANCING ACTIVITIES	(202,984,040)	(63,544,440)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,555,322)	(11,388,407)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	155,474,401	129,221,124
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	88,919,079	117,832,717

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

SHARE CAPITAL	RESERVES							TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES			TOTAL RESERVES	
	Share Premium reserve	Fair value reserve	Sub-total	General Reserve	Accumulated loss	Sub-total		
509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,357,191,157)	(299,163,517)	12,324,332	521,434,442
-	-	-	-	-	8,725,548	8,725,548	8,725,548	8,725,548
-	-	-	-	-	122,885,446	122,885,446	122,885,446	122,885,446
-	-	9,675,822	9,675,822	-	-	-	9,675,822	9,675,822
-	-	9,675,822	9,675,822	-	122,885,446	122,885,446	132,561,268	132,561,268
509,110,110	213,406,310	107,757,361	321,163,671	1,058,027,640	(1,225,580,163)	(167,552,523)	153,611,148	662,721,258
-	-	-	-	-	8,725,546	8,725,546	8,725,546	8,725,546
-	-	24,814,719	24,814,719	-	79,002,199	79,002,199	79,002,199	79,002,199
-	-	24,814,719	24,814,719	-	-	-	24,814,719	24,814,719
-	-	24,814,719	24,814,719	-	79,002,199	79,002,199	103,816,918	103,816,918
509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,137,852,418)	(79,824,778)	266,153,612	775,263,722
-	-	-	-	-	8,365,758	8,365,758	8,365,758	8,365,758
-	-	-	-	-	102,969,128	102,969,128	102,969,128	102,969,128
-	-	4,707,973	4,707,973	-	-	-	4,707,973	4,707,973
-	-	4,707,973	4,707,973	-	102,969,128	102,969,128	107,677,101	107,677,101
509,110,110	213,406,310	137,280,053	350,686,363	1,058,027,640	(1,026,517,532)	31,510,108	382,196,471	891,306,581

Balance as at 01 July 2013 - (audited)

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

Profit for the half year ended 31 December 2013

Other comprehensive income for the half year ended 31 December 2013

Total comprehensive income for the half year ended 31 December 2013

Balance as at 31 December 2013 - (Un-audited)

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

Profit for the half year ended 30 June 2014

Other comprehensive income for the half year ended 30 June 2014

Total comprehensive income for the half year ended 30 June 2014

Balance as at 30 June 2014 - (audited)

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

Profit for the half year ended 31 December 2014

Other comprehensive income for the half year ended 31 December 2014

Total comprehensive income for the half year ended 31 December 2014

Balance as at 31 December 2014 - (Un-audited)

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


AAMIR FAYYAZ SHEIKH

Chief Executive


RASHID AHMED

Director

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 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 but subject to limited scope review by the statutory auditors 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 half year ended 31 December 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 2014.

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 2014.

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 2014.

	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	1,961,062,954	2,121,486,153
Add: Adjustment due to impact of IAS - 39 during the period / year	51,463,121	107,544,802
Less: Repaid during the period / year	132,511,810	267,968,001
	<u>1,880,014,265</u>	<u>1,961,062,954</u>
Less: Current portion shown under current liabilities	288,889,790	249,682,994
	<u>1,591,124,475</u>	<u>1,711,379,960</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 2014.

6.2 Commitments

- (i) Aggregate commitments for capital expenditures and revenue expenditures are amounting to Rupees Nil and Rupees 4.755 million (30 June 2014: Rupees Nil and Rupees 23.481 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 148.483 million (30 June 2014: Rupees 118.809 million).

7. FIXED ASSETS

Property, plant and equipment

Operating fixed assets (Note 7.1)	3,320,848,421	3,405,900,787
Capital work-in-progress (Note 7.2)	60,262,401	34,753,339
	<u>3,381,110,822</u>	<u>3,440,654,126</u>
Intangible asset - computer software (Note 7.3)	518,606	-
	<u>3,381,629,428</u>	<u>3,440,654,126</u>

7.1 Operating fixed assets

Opening net book value	3,405,900,787	3,199,125,210
Add: Cost of additions during the period / year (Note 7.1.1)	39,294,286	442,426,789
	<u>3,445,195,073</u>	<u>3,641,551,999</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	13,315,305	14,730,721
Depreciation charged during the period / year	111,031,347	220,920,491
	<u>3,320,848,421</u>	<u>3,405,900,787</u>

	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
7.1.1 Cost of additions		
Factory building	1,456,923	69,812,974
Plant and machinery	25,279,314	278,803,061
Electric installations	2,349,644	8,953,318
Furniture, fixtures and equipment	148,048	709,904
Computers	1,570,257	4,252,222
Motor vehicles	8,490,100	79,895,310
	39,294,286	442,426,789
7.1.2 Book value of deletions		
Plant and machinery	10,016,911	10,924,776
Motor vehicles	3,298,394	3,805,945
	13,315,305	14,730,721
7.2 Capital work-in-progress		
Civil works	40,672,055	30,192,943
Plant and machinery	17,831,370	3,657,835
Electric installations	1,758,976	902,561
	60,262,401	34,753,339
7.3 Intangible asset - computer software		
Opening net book value	-	666,579
Add: Cost of additions during the period	555,649	-
Less: Amortization charged during the period / year	37,043	666,579
	518,606	-

	Half year ended		Un-audited Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
8. COST OF SALES				
Raw material consumed	2,178,225,234	2,353,325,287	1,105,999,592	1,155,424,020
Chemical consumed	328,353,337	295,443,564	163,105,427	160,965,269
Salaries, wages and other benefits	165,616,616	140,573,555	83,065,193	74,414,172
Employees' provident fund contributions	6,077,742	5,283,828	3,043,715	3,003,702
Cloth conversion and processing charges	8,320,672	8,371,499	2,510,971	2,230,601
Fuel, oil and power	430,499,278	443,293,479	202,711,591	225,363,541
Stores, spares and loose tools consumed	47,752,995	47,234,195	25,678,532	26,884,855
Packing material	32,175,145	23,438,221	17,608,563	11,951,935
Repair and maintenance	17,618,795	18,890,389	9,680,684	10,684,165
Insurance	4,179,464	3,715,854	2,046,886	1,859,616
Other manufacturing expenses	48,548,739	20,640,672	20,786,706	10,146,368
Depreciation on operating fixed assets	104,227,968	100,676,341	51,385,247	51,701,533
	3,371,595,985	3,460,886,884	1,687,623,107	1,734,629,777



	Half year ended		Un-audited Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
Work-in-process inventory				
Opening stock	128,250,466	152,308,086	193,276,156	235,584,849
Closing stock	(163,302,803)	(187,144,686)	(163,302,803)	(187,144,686)
	(35,052,337)	(34,836,600)	29,973,353	48,440,163
Cost of goods manufactured	3,336,543,648	3,426,050,284	1,717,596,460	1,783,069,940
Cost of yarn and cloth purchased for resale	13,589,850	11,715,822	7,616,029	8,812,947
	3,350,133,498	3,437,766,106	1,725,212,489	1,791,882,887
Finished goods inventory				
Opening stock	421,365,253	314,553,948	385,244,628	332,379,822
Closing stock	(422,177,534)	(399,313,722)	(422,177,534)	(399,313,722)
	(812,281)	(84,759,774)	(36,932,906)	(66,933,900)
	3,349,321,217	3,353,006,332	1,688,279,583	1,724,948,987

9. 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:

	Half year ended		Un-audited Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
Subsidiary company				
Expenses paid on behalf of subsidiary company	153,673	343,173	153,673	343,173
Other related parties				
Remuneration to Chief Executive Officer, Directors and Executives	49,953,129	39,435,502	26,057,326	24,411,294
Contribution to employees' provident fund trust	8,759,979	7,475,620	4,400,823	4,246,705
			Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
Period end balances				
Payable to subsidiary company			274,325	427,998
Payable to a related party			70,000,000	70,000,000
Receivable from / (Payable to) employees' provident fund trust			859,927	(675,555)

10. SEGMENT INFORMATION

10.1 The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving	Production of different quality of greige fabric using yarn.
Dyeing	Processing of greige fabric for production of dyed fabric.
Power Generation	Generation and distribution of power using gas, oil and steam.

10.2

	Weaving		Dyeing		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Half year ended	31 Dec 2013	Half year ended	31 Dec 2013	Half year ended	31 Dec 2013	Half year ended	31 Dec 2013	Half year ended	31 Dec 2013
Sales	1,055,877,166	978,349,528	2,978,386,297	3,033,323,694	-	-	-	-	4,034,263,463	4,011,673,222
External Inter-segment	933,200,169	1,132,958,806	313,787,901	6,539,930	450,122,685	292,021,834	(1,414,701,755)	(1,431,520,570)	-	-
Cost of sales	1,989,077,335	2,111,308,334	3,009,765,198	3,039,863,624	450,122,685	292,021,834	(1,414,701,755)	(1,431,520,570)	4,034,263,463	4,011,673,222
Gross profit	(1,813,842,762)	(1,897,104,223)	(2,539,205,190)	(2,603,414,267)	(410,975,020)	(284,008,412)	1,414,701,755	1,431,520,570	(3,349,321,217)	(3,353,006,332)
Distribution cost	175,234,573	214,204,111	470,560,008	436,449,357	39,147,665	8,013,422	-	-	684,942,246	668,666,890
Administrative expenses	(49,447,593)	(60,712,999)	(167,006,264)	(171,979,538)	-	-	-	-	(216,453,857)	(232,692,537)
Profit/after taxation and unallocated income and expenses	(47,972,985)	(43,796,240)	(59,596,918)	(49,988,777)	(9,518,298)	(4,488,047)	-	-	(117,088,201)	(98,273,064)
Profit/after taxation and unallocated income and expenses	(97,420,578)	(104,509,239)	(226,603,182)	(221,968,315)	(9,518,298)	(4,488,047)	-	-	(333,542,058)	(330,965,601)
Finance cost	77,813,995	109,694,872	243,956,826	214,481,042	29,629,367	3,525,375	-	-	351,400,188	327,701,289
Other expenses	-	-	-	-	-	-	-	-	(198,946,612)	(200,940,657)
Other income	-	-	-	-	-	-	-	-	(15,551,750)	(16,900,263)
Taxation	-	-	-	-	-	-	-	-	20,305,877	47,536,473
Profit/after taxation	-	-	-	-	-	-	-	-	(54,238,575)	(34,511,396)
Unallocated income and expenses:	-	-	-	-	-	-	-	-	102,969,128	122,885,446

Sales

External Inter-segment

Cost of sales

Gross profit

Distribution cost

Administrative expenses

Profit/after taxation and unallocated income and expenses

Finance cost

Other expenses

Other income

Taxation

Profit/after taxation

Unallocated income and expenses:

10.3 Reconciliation of reportable segment

	Weaving		Dyeing		Power Generation		Total - Company	
	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014
Total assets for reportable segments	1,852,426,963	1,925,414,907	2,427,285,039	2,358,316,137	911,545,439	837,336,996	5,191,257,441	5,125,068,040
Unallocated assets	-	-	-	-	-	-	-	-
Long term investments	-	-	-	-	-	-	-	-
Short term investment	-	-	-	-	-	-	-	-
Other corporate assets	-	-	-	-	-	-	-	-
Total assets as per balance sheet	3,40,583,425	299,247,602	349,375,746	368,216,177	89,269,168	60,010,299	779,228,339	727,474,078
Total liabilities for reportable segments	-	-	-	-	-	-	-	-
Unallocated liabilities:	-	-	-	-	-	-	-	-
Long term financing - secured	-	-	-	-	-	-	-	-
Sponsor's loan	-	-	-	-	-	-	-	-
Deferred liabilities	-	-	-	-	-	-	-	-
Accrued mark up	-	-	-	-	-	-	-	-
Short term borrowings - secured	-	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-	-	-
Other corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities as per balance sheet	1,880,014,265	1,961,062,954	186,796,742	176,742,116	553,470,045	507,523,557	5,191,257,441	5,125,068,040

Total assets for reportable segments

Unallocated assets

Long term investments

Short term investment

Other corporate assets

Total assets as per balance sheet

Total liabilities for reportable segments

Unallocated liabilities:

Long term financing - secured

Sponsor's loan

Deferred liabilities

Accrued mark up

Short term borrowings - secured

Provision for taxation

Other corporate liabilities

Total liabilities as per balance sheet

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

12. AUTHORIZED FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 23 February 2015 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the 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.



AAMIR FAYYAZ SHEIKH

Chief Executive



RASHID AHMED

Director



CONSOLIDATED

FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
80,000,000 (30 June 2014: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2014: 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 2014: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		384,486,904	268,044,998
Total equity		893,597,014	777,155,108
Surplus on revaluation of operating fixed assets - net of deferred income tax		786,794,375	795,559,181
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	1,591,124,475	1,711,379,960
Sponsor's loan		186,798,742	176,742,116
Deferred Liabilities		553,470,045	507,523,537
		2,331,393,262	2,395,645,613
Current liabilities			
Trade and other payables		859,197,366	802,949,466
Loan from director		11,000,000	11,000,000
Accrued markup		139,252,325	132,581,524
Short term borrowings - secured		743,722,769	814,194,999
Current portion of long term financing	5	288,889,790	249,682,994
Provision for taxation		38,645,310	49,029,133
		2,080,707,560	2,059,438,116
Total Liabilities		4,412,100,822	4,455,083,729
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		6,092,492,211	6,027,798,018

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


AAMIR FAYYAZ SHEIKH
 Chief Executive



	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	3,499,632,872	3,560,898,995
Long term security deposits		20,587,740	20,587,740
		3,520,220,612	3,581,486,735
Current assets			
Stores, spares and loose tools		413,181,164	317,766,166
Stock-in-trade		737,366,878	698,231,702
Trade debts		540,045,978	533,484,347
Advances		75,375,705	87,643,135
Trade deposits and short term prepayments		36,902,722	19,413,286
Other receivables		267,395,296	254,936,841
Sales tax recoverable		229,805,673	202,338,744
Short term investments		183,136,135	176,879,692
Cash and bank balances		89,062,048	155,617,370
		2,572,271,599	2,446,311,283
TOTAL ASSETS		6,092,492,211	6,027,798,018


 RASHID AHMED
 Director

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half year ended		Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
SALES	4,034,263,463	4,011,673,222	2,029,655,226	2,070,572,985
COST OF SALES	(3,349,321,217)	(3,353,006,332)	(1,688,279,583)	(1,724,948,987)
GROSS PROFIT	684,942,246	658,666,890	341,375,643	345,623,998
DISTRIBUTION COST	(216,453,857)	(232,692,537)	(107,353,322)	(129,408,884)
ADMINISTRATIVE EXPENSES	(119,445,524)	(100,913,691)	(59,971,036)	(54,102,879)
OTHER EXPENSES	(13,194,427)	(14,259,636)	(1,249,602)	(8,687,678)
	(349,093,808)	(347,865,864)	(168,573,960)	(192,199,441)
	335,848,438	310,801,026	172,801,683	153,424,557
OTHER INCOME	20,305,877	47,536,473	9,288,822	34,666,744
PROFIT FROM OPERATIONS	356,154,315	358,337,499	182,090,505	188,091,301
FINANCE COST	(198,946,612)	(200,940,657)	(99,743,038)	(101,039,280)
PROFIT BEFORE TAXATION	157,207,703	157,396,842	82,347,467	87,052,021
TAXATION	(54,238,575)	(34,511,396)	(34,577,459)	(15,342,117)
PROFIT AFTER TAXATION	102,969,128	122,885,446	47,770,008	71,709,904
EARNINGS PER SHARE - BASIC AND DILUTED	2.02	2.41	0.94	1.41

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half year ended		Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
PROFIT AFTER TAXATION	102,969,128	122,885,446	47,770,008	71,709,904
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on re-measurement of available for sale investment to fair value	6,256,443	12,987,680	6,256,443	12,987,680
Deferred income tax relating to surplus on re-measurement of available for sale investment to fair value	(1,548,470)	(3,311,858)	(1,548,470)	(3,311,858)
Other comprehensive income for the period - net of tax	4,707,973	9,675,822	4,707,973	9,675,822
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	107,677,101	132,561,268	52,477,981	81,385,726

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)**
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half year ended	
	31 December 2014 Rupees	31 December 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	157,207,703	157,396,842
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	113,272,772	109,683,046
Amortization of intangible asset	37,043	432,345
Dividend income	(1,609,167)	(1,287,334)
Gain on sale of operating fixed assets	(2,172,078)	(1,485,248)
Adjustment due to impact of IAS - 39	61,519,747	54,800,876
Finance cost	137,426,865	146,139,781
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES	465,682,885	465,680,308
(Increase) / decrease in current assets		
Stores, spares and loose tools	(95,414,998)	(58,198,874)
Stock-in-trade	(39,135,176)	(128,710,563)
Trade debts	(6,561,631)	27,933,287
Advances	12,267,430	37,553,188
Trade deposits and short term prepayments	(17,489,436)	(858,078)
Other receivables	(23,435,022)	20,270,541
Sales tax recoverable	(27,466,929)	(6,124,232)
Increase in current liability		
Trade and other payables	56,247,900	38,660,448
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES	(140,987,862)	(69,474,283)
CASH GENERATED FROM OPERATIONS	324,695,023	396,206,025
Income tax paid	(43,013,246)	(52,917,780)
Finance cost paid	(96,990,612)	(83,357,939)
	(140,003,858)	(136,275,719)
NET CASH GENERATED FROM OPERATING ACTIVITIES	184,691,165	259,930,306
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(64,803,348)	(212,587,665)
Capital expenditure on intangible assets	(555,649)	-
Proceeds from sale of operating fixed assets	15,487,383	3,375,001
Dividend received	1,609,167	1,287,334
NET CASH USED IN INVESTING ACTIVITIES	(48,262,447)	(207,925,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term Financing - net	(132,511,810)	(148,687,528)
Short term borrowings - net	(70,472,230)	85,143,088
NET CASH USED IN FINANCING ACTIVITIES	(202,984,040)	(63,544,440)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,555,322)	(11,539,464)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	155,617,370	130,056,176
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	89,062,048	118,516,712

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director



CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	RESERVES							TOTAL EQUITY	
	SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVES				TOTAL RESERVES
	Share Premium reserve	Fair value reserve	Sub-total	General Reserve	Accumulated loss	Sub-total			
	------(Rupees)-----								
Balance as at 01 July 2013 - (audited)	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
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	9,139,329	9,139,329	9,139,329	9,139,329
Profit for the half year ended 31 December 2013	-	-	-	-	-	122,885,446	122,885,446	122,885,446	122,885,446
Other comprehensive income for the half year ended 31 December 2013	-	-	9,675,822	9,675,822	-	-	-	9,675,822	9,675,822
Total comprehensive income for the half year ended 31 December 2013	-	-	9,675,822	9,675,822	-	122,885,446	122,885,446	132,561,268	132,561,268
Balance as at 31 December 2013 - (Un-audited)	509,110,110	213,406,310	107,757,361	321,163,671	1,058,027,640	(1,224,115,096)	(166,087,456)	155,076,215	664,186,325
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	9,151,865	9,151,865	9,151,865	9,151,865
Profit for the half year ended 30 June 2014	-	-	-	-	-	79,002,199	79,002,199	79,002,199	79,002,199
Other comprehensive income for the half year ended 30 June 2014	-	-	24,814,719	24,814,719	-	-	-	24,814,719	24,814,719
Total comprehensive income for the half year ended 30 June 2014	-	-	24,814,719	24,814,719	-	79,002,199	79,002,199	103,816,918	103,816,918
Balance as at 30 June 2014 - (audited)	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,135,961,032)	(77,933,392)	268,044,998	777,155,108
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	8,764,805	8,764,805	8,764,805	8,764,805
Profit for the half year ended 31 December 2014	-	-	-	-	-	102,969,128	102,969,128	102,969,128	102,969,128
Other comprehensive income for the half year ended 31 December 2014	-	-	4,707,973	4,707,973	-	-	-	4,707,973	4,707,973
Total comprehensive income for the half year ended 31 December 2014	-	-	4,707,973	4,707,973	-	102,969,128	102,969,128	107,677,101	107,677,101
Balance as at 31 December 2014 - (Un-audited)	509,110,110	213,406,310	137,280,053	350,686,363	1,058,027,640	(1,024,227,099)	33,800,541	384,486,904	893,597,014

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 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 is to carry on business as a retailer in all types of general merchandise.

1.2.2 During the year ended 30 June 2013, the Holding Company, in line with its decision to focus on its core fabric business, 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 half year ended 31 December 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 2014.

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 2014.

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 2014.

	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	1,961,062,954	2,121,486,153
Add: Adjustment due to impact of IAS - 39 during the period / year	51,463,121	107,544,802
Less: Repaid during the period / year	132,511,810	267,968,001
	<u>1,880,014,265</u>	<u>1,961,062,954</u>
Less: Current portion shown under current liabilities	288,889,790	249,682,994
	<u>1,591,124,475</u>	<u>1,711,379,960</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 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 2014.

6.2 Commitments

Holding Company

- (i) Aggregate commitments for capital expenditures and revenue expenditures are amounting to Rupees Nil and Rupees 4.755 million (30 June 2014: Rupees NIL and Rupees 23.481 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 148.483 million (30 June 2014: Rupees 118.809 million).

7. FIXED ASSETS

Property, plant and equipment

- Operating fixed assets (Note 7.1)
- Capital work-in-progress (Note 7.2)

3,438,851,865	3,526,145,656
60,262,401	34,753,339

Intangible asset - computer software (Note 7.3)

3,499,114,266	3,560,898,995
518,606	-

<u>3,499,632,872</u>	<u>3,560,898,995</u>
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7.1 Operating fixed assets

- Opening net book value
- Add: Cost of additions during the period /
year (Note 7.1.1)
- Less: Book value of deletions during the period /
year (Note 7.1.2)
- Depreciation charged during the period / year
- Closing net book value

3,526,145,656	3,324,088,869
39,294,286	442,426,789
<u>3,565,439,942</u>	<u>3,766,515,658</u>
13,315,305	14,730,721
113,272,772	225,639,281
<u>3,438,851,865</u>	<u>3,526,145,656</u>

	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
7.1.1 Cost of additions		
Factory building	1,456,923	69,812,974
Plant and machinery	25,279,314	278,803,061
Electric installations	2,349,644	8,953,318
Furniture, fixtures and equipment	148,048	709,904
Computers	1,570,257	4,252,222
Motor vehicles	8,490,100	79,895,310
	39,294,286	442,426,789
7.1.2 Book value of deletions		
Plant and machinery	10,016,911	10,924,776
Motor vehicles	3,298,394	3,805,945
	13,315,305	14,730,721
7.2 Capital work-in-progress		
Plant and machinery	17,831,370	3,657,835
Civil works	40,672,055	30,192,943
Electric installations	1,758,976	902,561
	60,262,401	34,753,339
7.3 Intangible asset - computer software		
Opening net book value	-	666,579
Add: Cost of additions during the period / year	555,649	-
Less: Amortization charged during the period / year	37,043	666,579
Closing net book value	518,606	-

8. SEGMENT INFORMATION

8.1 The group has four reportable business segments. The following summary describes the operation in each of the group's reportable segments:

Weaving	Production of different quality of greige fabric using yarn.
Dyeing	Processing of greige fabric for production of dyed fabric.
Power Generation	Generation and distribution of power using gas,oil and steam
Retail	Selling all types of general merchandise.

8.2

	Weaving		Dyeing		Power Generation		Retail		Elimination of inter-segment transactions		Total - Group		
	Half year ended 31 Dec 2014	31 Dec 2013	Half year ended 31 Dec 2014	31 Dec 2013	Half year ended 31 Dec 2014	31 Dec 2013	Half year ended 31 Dec 2014	31 Dec 2013	Half year ended 31 Dec 2014	31 Dec 2013	Half year ended 31 Dec 2014	31 Dec 2013	
Sales	1,055,877,166	978,349,528	2,978,386,297	3,033,323,694	-	-	(3,541,760)	-	-	-	-	4,034,263,463	4,008,131,462
-Intersegment	933,200,169	1,132,958,806	3,137,801	6,539,930	450,122,685	292,021,834	3,541,760	(1,414,701,755)	(1,435,062,330)	-	-	(3,949,532,127)	(3,349,469,572)
Cost of sales	1,989,077,335	2,111,308,334	3,009,765,198	3,039,863,624	450,122,685	292,021,834	-	(1,414,701,755)	(1,435,062,330)	-	-	4,034,263,463	4,008,131,462
Gross profit	(1,813,842,662)	(1,897,104,223)	(2,539,205,190)	(2,603,414,267)	(410,975,020)	(289,008,642)	-	-	-	-	-	(3,949,532,127)	(3,349,469,572)
Distribution cost	175,234,573	214,204,111	470,560,008	436,449,357	39,147,665	8,013,422	-	-	-	-	-	684,942,246	658,666,890
Administrative expenses	(49,447,593)	(60,712,999)	(167,006,264)	(171,979,538)	(9,518,298)	(4,488,047)	(2,357,323)	(2,640,627)	-	-	-	(716,453,857)	(732,692,537)
Profit before taxation and unallocated income and expenses	(47,672,936)	(43,796,240)	(359,586,918)	(49,986,777)	(9,518,298)	(4,488,047)	(2,357,323)	(2,640,627)	-	-	-	(119,445,924)	(100,913,091)
Taxation	(97,420,578)	(104,509,239)	(226,603,182)	(221,968,315)	(9,518,298)	(4,488,047)	(2,357,323)	(2,640,627)	-	-	-	(333,899,381)	(333,606,228)
Profit after taxation	77,813,995	1,09,694,872	243,956,826	214,481,042	29,629,367	3,225,375	(2,357,323)	(2,640,627)	-	-	-	349,042,865	325,060,662
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated income and expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated income and expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-

8.3 Reconciliation of reportable segment

	Weaving		Dyeing		Power Generation		Retail		Total - Group	
	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014	Un-Audited 31 Dec 2014	Audited 30 Jun 2014
Total assets for reportable segments	1,852,426,963	1,929,414,907	2,427,285,039	2,358,316,137	911,545,439	837,336,996	118,613,759	121,729,328	5,309,871,200	5,246,797,368
Unallocated assets	-	-	-	-	-	-	-	-	-	-
Short term investments	-	-	-	-	-	-	-	-	183,136,135	176,879,692
Other corporate assets	-	-	-	-	-	-	-	-	599,484,876	604,120,958
Total assets as per balance sheet	-	-	-	-	-	-	-	-	6,092,492,211	6,027,798,018
SEGMENT LIABILITIES	-	-	-	-	-	-	-	-	-	-
Total liabilities for reportable segments	340,583,425	299,247,602	349,375,746	368,216,177	89,269,168	60,010,299	12,373,923	12,411,698	791,602,262	739,885,776
Unallocated liabilities:	-	-	-	-	-	-	-	-	-	-
Long term financing - secured	-	-	-	-	-	-	-	-	1,880,014,365	1,961,062,954
Short term investments	-	-	-	-	-	-	-	-	186,798,742	176,942,116
Accrued markup	-	-	-	-	-	-	-	-	139,523,325	132,581,524
Short term borrowings - secured	-	-	-	-	-	-	-	-	743,722,769	814,194,999
Deferred liabilities	-	-	-	-	-	-	-	-	553,470,945	507,523,537
Provision for taxation	-	-	-	-	-	-	-	-	38,645,310	49,029,133
Other corporate liabilities	-	-	-	-	-	-	-	-	78,595,104	74,063,690
Total liabilities as per balance sheet	-	-	-	-	-	-	-	-	4,412,100,822	4,455,083,729

9. TRANSACTIONS WITH RELATED PARTIES

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

	Half year ended		Un-audited Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
Other related parties				
Remuneration to Chief Executive Officer, Directors and Executives	49,953,129	39,435,502	26,057,326	23,997,269
Contribution to employees' provident fund trust	8,759,979	7,475,620	4,400,823	4,869,633
			Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
Period end balances				
Payable to a related party			70,000,000	70,000,000
Receivable from / (Payable to) employees' provident fund trust			859,927	(675,555)

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 2014.

11. AUTHORIZED FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on 23 February 2015 by the Board of Directors of the group.

12. 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 rearranged or reclassified wherever necessary for the purpose of comparison, however, no significant reclassification has been made.


AAMIR FAYYAZ SHEIKH
Chief Executive


RASHID AHMED
Director



Kohinoor Mills Limited

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