



Kohinoor Mills Limited



FIRST QUARTERLY REPORT

30 September 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 Islamic Bank B.S.C. (E.C)
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- National Bank of Pakistan
- NIB Bank Limited
- Silk Bank Limited
- Standard Chartered Bank (Pakistan) Ltd
- The Bank of Punjab
- United Bank Limited

REGISTERED OFFICE & MILLS

8th K.M. Manga Raiwind Road,
District Kasur.

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

CELL LINES: (92-333) 4998801-10

LAND LINES: (92-42) 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.



FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of the Company are pleased to present the un-audited interim financial statements for the quarter ended September 30, 2014. These interim financial statements are presented in accordance with the requirements of the Companies Ordinance, 1984.

Operating & Financial Results

During the quarter ended September 30, 2014, your company earned a gross profit of Rs. 344 million on sales of Rs. 2,005 million compared to gross profit of Rs. 313 million on sales of Rs. 1,941 million for the corresponding period of previous financial year. Gross margin was at 17% compared to 16% in the corresponding period last year. During the period under review, your company recorded a net profit of Rs. 55 million, compared to net profit of Rs. 51 million in the corresponding period. The Earnings per share was Rs. 1.08 compared to Rs. 1.01 for corresponding period in previous financial year.

Higher volumes with better capacity utilization and strengthening US Dollar resulted in improvement in gross margins and overall results of the Company.

Weaving Division

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

Dyeing Division

Better capacity utilization and strengthening US Dollar translated into improved performance in this flagship Division of the Company. The order position is quite healthy and the management is confident that performance shall be maintained in the remaining part of the year.

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 energy situation, despite government promises, remains an area of concern in the coming winter months.

In view of the worsening 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 political environment, increasing competition from regional players and sluggish overseas demand, the management has kept its resolve for performance improvement through better marketing by winning customer confidence and higher margins by supply chain management to keep costs low. The current order book position of the Company is quite healthy and the management is confident that it can, for the remaining part of the year, build on its positive performance in the first quarter 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:
27 October 2014

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2014

	Un-audited 30 September 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	325,506,261	266,153,612
Total equity	834,616,371	775,263,722
Surplus on revaluation of operating fixed assets - net of deferred income tax	764,565,406	768,718,932
LIABILITIES		
Non-current liabilities		
Long term financing - secured	1,726,773,389	1,711,379,960
Sponsor's loan	181,770,429	176,742,116
Deferred liabilities	520,247,492	507,523,537
	2,428,791,310	2,395,645,613
Current liabilities		
Trade and other payables	847,763,894	801,965,767
Accrued markup	142,107,691	132,581,524
Short term borrowings - secured	806,397,999	814,194,999
Current portion of long term financing	190,456,802	249,682,994
Provision for taxation	68,983,754	49,029,133
	2,055,710,140	2,047,454,417
Total Liabilities	4,484,501,450	4,443,100,030
Contingencies and commitments	6	
TOTAL EQUITY AND LIABILITIES	6,083,683,227	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 30 September 2014 Rupees	Audited 30 June 2014 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	3,415,476,537	3,440,654,126
Long term investments		79,834,385	81,013,995
Long term security deposits		20,587,740	20,587,740
		3,515,898,662	3,542,255,861
Current assets			
Stores, spares and loose tools		373,599,101	317,766,166
Stock-in-trade		788,004,773	698,231,702
Trade debts		508,017,284	533,484,347
Advances		90,504,154	87,643,135
Trade deposits and short term prepayments		30,604,661	19,413,286
Other receivables		285,145,396	253,595,350
Sales tax recoverable		201,538,526	202,338,744
Short term investment		176,879,692	176,879,692
Cash and bank balances		113,490,978	155,474,401
		2,567,784,565	2,444,826,823
TOTAL ASSETS		6,083,683,227	5,987,082,684

RIAZ AHMED

Director

**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Note	30 September 2014 Rupees	30 September 2013 Rupees
SALES		2,004,608,237	1,941,100,237
COST OF SALES	8	(1,661,041,634)	(1,628,057,345)
GROSS PROFIT		343,566,603	313,042,892
DISTRIBUTION COST		(109,100,535)	(103,283,653)
ADMINISTRATIVE EXPENSES		(58,294,878)	(45,430,812)
OTHER EXPENSES		(13,124,435)	(6,951,958)
		(180,519,848)	(155,666,423)
OTHER INCOME		163,046,755	157,376,469
		11,017,055	12,869,729
PROFIT FROM OPERATIONS		174,063,810	170,246,198
FINANCE COST		(99,203,574)	(99,901,377)
PROFIT BEFORE TAXATION		74,860,236	70,344,821
TAXATION		(19,661,116)	(19,169,279)
PROFIT AFTER TAXATION		55,199,120	51,175,542
EARNING PER SHARE- BASIC AND DILUTED		1.08	1.01

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014 Rupees	30 September 2013 Rupees
PROFIT AFTER TAXATION	55,199,120	51,175,542
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	55,199,120	51,175,542

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

**UNCONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)**
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014 Rupees	30 September 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,860,236	70,344,821
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	55,008,122	52,169,669
Amortization on intangible asset	-	270,214
Dividend income	(1,448,250)	(1,287,334)
Impairment loss on investment in subsidiary company	1,179,610	1,380,000
Adjustment due to impact of IAS - 39	31,106,756	26,375,165
Finance cost	68,096,818	73,526,212
Cash flows from operating activities before adjustment of working capital changes	228,803,292	222,778,747
(Increase) / decrease in current assets		
Stores, spares and loose tools	(55,832,935)	11,028,468
Stock-in-trade	(89,773,071)	(116,716,464)
Trade debts	25,467,063	20,024,756
Advances	(2,861,019)	6,352,389
Trade deposits and short term prepayments	(11,191,375)	(4,750,087)
Other receivables	(8,940,775)	4,102,085
Sales tax recoverable	800,218	2,777,480
Increase / (decrease) in current liabilities		
Trade and other payables	45,798,127	(46,499,679)
Effect on cash flows due to working capital changes	(96,533,767)	(123,681,052)
Cash generated from operations	132,269,525	99,097,695
Income tax paid	(22,609,268)	(23,423,363)
Finance cost paid	(45,553,191)	(34,994,238)
	(68,162,459)	(58,417,601)
NET CASH GENERATED FROM OPERATING ACTIVITIES	64,107,066	40,680,094
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(29,830,533)	(86,500,245)
Dividend received	1,448,250	1,287,334
NET CASH USED IN INVESTING ACTIVITIES	(28,382,283)	(85,212,911)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(69,911,206)	(50,983,485)
Short term borrowings - net	(7,797,000)	124,449,118
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(77,708,206)	73,465,633
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,983,423)	28,932,816
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	113,490,978	158,153,940

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 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
-	-	-	-	-	4,362,773	4,362,773	4,362,773	4,362,773
-	-	-	-	-	51,175,542	51,175,542	51,175,542	51,175,542
-	-	-	-	-	-	-	-	-
509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,301,652,842)	(243,625,202)	678,626,647	576,972,757
-	-	-	-	-	13,088,321	13,088,321	13,088,321	13,088,321
-	-	34,490,541	34,490,541	-	150,712,103	150,712,103	150,712,103	150,712,103
-	-	34,490,541	34,490,541	-	-	-	34,490,541	34,490,541
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
-	-	-	-	-	4,153,529	4,153,529	4,153,529	4,153,529
-	-	-	-	-	55,199,120	55,199,120	55,199,120	55,199,120
-	-	-	-	-	-	-	-	-
509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,078,499,769)	(20,472,129)	325,506,261	834,616,371

Balance as at 30 June 2013 - (audited)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax

Profit for the period
Other comprehensive income for the period
Total comprehensive income for the quarter ended 30 September 2013

Balance as at 30 September 2013 - (Un-audited)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax

Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period ended 30 June 2014

Balance as at 30 June 2014 - (audited)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax

Profit for the period
Other comprehensive income for the period
Total comprehensive income for the quarter ended 30 September 2014

Balance as at 30 September 2014 - (Un-audited)

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


AAMIR FAYYAZ SHEIKH

Chief Executive


RIAZ AHMED

Director

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 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 quarter ended 30 September 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 unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2014.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those 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 30 September 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	26,078,443	107,544,802
Less: Repaid / adjusted during the period / year	69,911,206	267,968,001
	<u>1,917,230,191</u>	<u>1,961,062,954</u>
Less: Current portion shown under current liabilities	190,456,802	249,682,994
	<u>1,726,773,389</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 and revenue expenditures are amounting to Rupees Nil (30 June 2014: Rupees Nil) and Rupees Nil (30 June 2014: Rupees 23.481 million) respectively.		
(ii) Post dated cheques issued to suppliers are amounting to Rupees 279.647 million (30 June 2014: Rupees 118.809 million).		
7. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 7.1)	3,354,920,275	3,405,900,787
Capital work-in-progress (Note 7.2)	60,556,262	34,753,339
	<u>3,415,476,537</u>	<u>3,440,654,126</u>
7.1 Operating fixed assets		
Opening net book value	3,405,900,787	3,199,125,210
Cost of additions during the period / year (Note 7.1.1)	4,027,610	442,426,789
	<u>3,409,928,397</u>	<u>3,641,551,999</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	-	14,730,721
Depreciation charged during the period / year	55,008,122	220,920,491
	<u>3,354,920,275</u>	<u>3,405,900,787</u>
7.1.1 Cost of additions during the period / year		
Factory building	-	69,812,974
Plant and machinery	3,174,794	278,803,061
Electric installations	194,316	8,953,318
Furniture, fixtures and equipment	-	709,904
Computers	230,500	4,252,222
Motor Vehicles	428,000	79,895,310
	<u>4,027,610</u>	<u>442,426,789</u>

	Un-audited 30 September 2014 Rupees	Audited 30 June 2014 Rupees
7.1.2 Book value of deletions during the period / year		
Plant and machinery	-	10,924,776
Motor Vehicles	-	3,805,945
	-	14,730,721

7.2 Capital work-in-progress

Plant and machinery	12,575,518	3,657,835
Civil works	43,127,356	30,192,943
Electric installations	930,898	902,561
Advances for capital expenditures	3,922,490	-
	60,556,262	34,753,339

	Un-audited 30 September 2014 Rupees	Un-audited 30 September 2013 Rupees
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8. COST OF SALES

Raw material consumed	1,057,846,778	1,197,901,267
Chemical consumed	165,247,910	134,478,295
Salaries, wages and other benefits	82,551,423	66,159,383
Employee's provident fund contributions	3,034,027	2,280,126
Cloth conversion and processing charges	20,188,565	6,140,898
Fuel, oil and power	227,787,687	217,929,938
Stores, spares and loose tools consumed	22,074,463	20,349,340
Packing material	14,566,582	11,486,286
Repair and maintenance	7,938,111	8,206,224
Insurance	2,132,578	1,856,238
Other manufacturing expenses	27,762,033	10,494,304
Depreciation on operating fixed assets	52,842,721	48,974,808
	1,683,972,878	1,726,257,107
Work-in-process inventory		
Opening stock	128,250,466	152,308,086
Closing stock	(193,276,156)	(235,584,849)
	(65,025,690)	(83,276,763)
Cost of goods manufactured	1,618,947,188	1,642,980,344
Cost of yarn and cloth purchased for resale	5,973,821	2,902,875
	1,624,921,009	1,645,883,219
Finished goods inventory		
Opening stock	421,365,253	314,553,948
Closing stock	(385,244,628)	(332,379,822)
	36,120,625	(17,825,874)
	1,661,041,634	1,628,057,345

9. ANALYSIS BY SEGMENT (Un-audited)

9.1 Operating Segment

Quarter ended 30 September 2014

	Weaving	Dyeing	Power Generation	Total- Company
	Rupees	Rupees	Rupees	Rupees
Total Sale	1,027,853,489	1,465,905,753	230,567,814	2,724,327,056
Intersegment Sale	(474,772,141)	(14,378,864)	(230,567,814)	(719,718,819)
External Sale	553,081,348	1,451,526,889	-	2,004,608,237
Profit before taxation and unallocated income / expense	50,115,055	114,739,832	11,316,303	176,171,190
Other income and expense-Net				(2,107,380)
Profit from operations				174,063,810
Finance Cost				(99,203,574)
Profit before taxation				74,860,236

Quarter ended 30 September 2013

Total Sale	1,022,105,864	1,437,836,581	155,217,799	2,615,160,244
Intersegment Sale	(518,099,657)	(742,551)	(155,217,799)	(674,060,007)
External Sale	504,006,207	1,437,094,030	-	1,941,100,237
Profit before taxation and unallocated income / expense	58,225,404	98,235,344	7,867,679	164,328,427
Other income and expense-Net				5,917,771
Profit from operations				170,246,198
Finance Cost				(99,901,377)
Profit before taxation				70,344,821

9.2 There is no material change in segment assets from amount disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

10. 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:

	Un-audited 30 September 2014 Rupees	Un-audited 30 September 2013 Rupees
Remuneration paid to Chief Executive Officer, Directors and Executives	23,895,803	15,024,208
Contribution to employees' provident fund trust	4,359,156	3,228,915

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 27 October 2014 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

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



RIAZ AHMED

Director

CONSOLIDATED

FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2014

	Un-audited 30 September 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	327,597,170	268,044,998
Total equity	836,707,280	777,155,108
Surplus on revaluation of operating fixed assets - net of deferred income tax	791,206,131	795,559,181
LIABILITIES		
Non-current liabilities		
Long term financing - secured	1,726,773,389	1,711,379,960
Sponsor's loan	181,770,429	176,742,116
Deferred liabilities	520,247,492	507,523,537
	2,428,791,310	2,395,645,613
Current liabilities		
Trade and other payables	849,137,937	802,949,466
Loan from director	11,000,000	11,000,000
Accrued markup	142,107,691	132,581,524
Short term borrowings - secured	806,397,999	814,194,999
Current portion of long term financing	190,456,802	249,682,994
Provision for taxation	68,983,754	49,029,133
	2,068,084,183	2,059,438,116
Total Liabilities	4,496,875,493	4,455,083,729
Contingencies and commitments	6	
TOTAL EQUITY AND LIABILITIES	6,124,788,904	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 30 September 2014 Rupees	Audited 30 June 2014 Rupees
ASSETS			
Non-current assets			
Fixed Assets	7	3,534,600,694	3,560,898,995
Long term security deposits		20,587,740	20,587,740
		<u>3,555,188,434</u>	<u>3,581,486,735</u>
Current assets			
Stores, spares and loose tools		373,599,101	317,766,166
Stock-in-trade		788,004,773	698,231,702
Trade debts		508,017,284	533,484,347
Advances		90,504,154	87,643,135
Trade deposits and short term prepayments		30,604,661	19,413,286
Other receivables		286,818,332	254,936,841
Sales tax recoverable		201,538,526	202,338,744
Short term investment		176,879,692	176,879,692
Cash and bank balances		113,633,947	155,617,370
		<u>2,569,600,470</u>	<u>2,446,311,283</u>
TOTAL ASSETS		<u><u>6,124,788,904</u></u>	<u><u>6,027,798,018</u></u>

RIAZ AHMED

Director

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014 Rupees	30 September 2013 Rupees
SALES	2,004,608,237	1,941,100,237
COST OF SALES	(1,661,041,634)	(1,628,057,345)
GROSS PROFIT	343,566,603	313,042,892
DISTRIBUTION COST	(109,100,535)	(103,283,653)
ADMINISTRATIVE EXPENSES	(59,474,488)	(46,810,812)
OTHER EXPENSES	(11,944,825)	(5,571,958)
	(180,519,848)	(155,666,423)
OTHER INCOME	163,046,755	157,376,469
	11,017,055	12,869,729
PROFIT FROM OPERATIONS	174,063,810	170,246,198
FINANCE COST	(99,203,574)	(99,901,377)
PROFIT BEFORE TAXATION	74,860,236	70,344,821
TAXATION	(19,661,116)	(19,169,279)
PROFIT AFTER TAXATION	55,199,120	51,175,542
EARNING PER SHARE- BASIC AND DILUTED	1.08	1.01

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014 Rupees	30 September 2013 Rupees
PROFIT AFTER TAXATION	55,199,120	51,175,542
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	55,199,120	51,175,542

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014 Rupees	30 September 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,860,236	70,344,821
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	56,128,834	53,349,368
Amortization of intangible asset	-	270,215
Dividend income	(1,448,250)	(1,287,334)
Adjustment due to impact of IAS - 39	31,106,756	26,375,165
Finance cost	68,096,818	73,526,212
Cash flows from operating activities before adjustment of working capital changes	228,744,394	222,578,447
(Increase) / decrease in current assets		
Stores, spares and loose tools	(55,832,935)	11,028,468
Stock-in-trade	(89,773,071)	(116,716,464)
Trade debts	25,467,063	20,024,756
Advances	(2,861,019)	6,352,389
Trade deposits and short term prepayments	(11,191,375)	(4,750,087)
Other receivables	(9,272,221)	4,102,085
Sales tax recoverable	800,218	2,777,480
Increase / (decrease) in current liabilities		
Trade and other payables	46,188,471	(46,450,432)
Effect on cash flows due to working capital changes	(96,474,869)	(123,631,805)
Cash generated from operations	132,269,525	98,946,642
Income tax paid	(22,609,268)	(23,423,367)
Finance cost paid	(45,553,191)	(34,994,238)
	(68,162,459)	(58,417,605)
NET CASH GENERATED FROM OPERATING ACTIVITIES	64,107,066	40,529,037
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(29,830,533)	(86,500,245)
Dividend received	1,448,250	1,287,334
NET CASH USED IN INVESTING ACTIVITIES	(28,382,283)	(85,212,911)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(69,911,206)	(50,983,485)
Short term borrowings - net	(7,797,000)	124,449,118
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(77,708,206)	73,465,633
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,983,423)	28,781,759
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	113,633,947	158,837,935

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


AAMIR FAYYAZ SHEIKH
Chief Executive


RIAZ AHMED
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	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	(1,356,139,871)	(298,112,231)	13,375,618	522,485,728
-	-	-	-	-	4,569,663	4,569,663	4,569,663	4,569,663
-	-	-	-	-	51,175,542	51,175,542	51,175,542	51,175,542
-	-	-	-	-	51,175,542	51,175,542	51,175,542	51,175,542
509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,300,394,666)	(242,367,026)	691,208,223	578,230,933
-	-	-	-	-	13,721,531	13,721,531	13,721,531	13,721,531
-	-	34,490,541	34,490,541	-	150,712,103	150,712,103	150,712,103	150,712,103
-	-	34,490,541	34,490,541	-	-	-	34,490,541	34,490,541
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
-	-	-	-	-	4,353,052	4,353,052	4,353,052	4,353,052
-	-	-	-	-	55,199,120	55,199,120	55,199,120	55,199,120
-	-	-	-	-	-	-	-	-
509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,076,408,860)	(18,381,220)	327,597,170	836,707,280

Balance as at 30 June 2013 - (audited)

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

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the quarter ended 30 September 2013

Balance as at 30 September 2013 - (Un-audited)

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

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period ended 30 June 2014

Balance as at 30 June 2014 - (audited)

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

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the quarter ended 30 September 2014

Balance as at 30 September 2014 - (Un-audited)

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


AAMIR FAYYAZ SHEIKH

Chief Executive


RIAZ AHMED

Director

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 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

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

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

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the quarter ended 30 September 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 computation 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 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 30 September 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	26,078,443	107,544,802
Less: Repaid / adjusted during the period / year	69,911,206	267,968,001
	1,917,230,191	1,961,062,954
Less: Current portion shown under current liabilities	190,456,802	249,682,994
	1,726,773,389	1,711,379,960

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 2014.

6.2 Commitments

Holding Company

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees Nil (30 June 2014: Rupees Nil) and Rupees Nil (30 June 2014: Rupees 23.481 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 279.647 million (30 June 2014: Rupees 118.809 million).

7. FIXED ASSETS

Property, plant and equipment		
Operating fixed assets (Note 7.1)	3,474,044,432	3,526,145,656
Capital work-in-progress (Note 7.2)	60,556,262	34,753,339
	3,534,600,694	3,560,898,995

	Un-audited 30 September 2014 Rupees	Audited 30 June 2014 Rupees
7.1 Operating fixed assets		
Opening net book value	3,526,145,656	3,324,088,869
Cost of additions during the period / year (Note 7.1.1)	4,027,610	442,426,789
	<hr/> 3,530,173,266	<hr/> 3,766,515,658
Less: Book value of deletions during the period / year (Note 7.1.2)	-	14,730,721
Depreciation charged during the period / year	56,128,834	225,639,281
	<hr/> 3,474,044,432	<hr/> 3,526,145,656
7.1.1 Cost of additions during the period / year		
Factory Building	-	69,812,974
Plant and machinery	3,174,794	278,803,061
Electric installations	194,316	8,953,318
Furniture, fixtures and equipments	-	709,904
Computers	230,500	4,252,222
Motor Vehicles	428,000	79,895,310
	<hr/> 4,027,610	<hr/> 442,426,789
7.1.2 Book value of deletions during the period / year		
Plant and machinery	-	10,924,776
Motor Vehicles	-	3,805,945
	<hr/> -	<hr/> 14,730,721
7.2 Capital work-in-progress		
Plant and machinery	12,575,518	3,657,835
Civil works	43,127,356	30,192,943
Electric installations	930,898	902,561
Advances for capital expenditures	3,922,490	-
	<hr/> 60,556,262	<hr/> 34,753,339

8. ANALYSIS BY SEGMENT (Un-audited)

8.1 Operating Segment

Quarter ended 30 September 2014

	Weaving	Dyeing	Power Generation	Retail	Total- Group
	Rupees	Rupees	Rupees	Rupees	Rupees
Total Sale	1,027,853,489	1,465,905,753	230,567,814	-	2,724,327,056
Intersegment Sale	(474,772,141)	(14,378,864)	(230,567,814)	-	(719,718,819)
External Sale	553,081,348	1,451,526,889	-	-	2,004,608,237
Profit before taxation and unallocated income / expense	50,115,055	114,739,832	11,316,303	(1,179,610)	174,991,580
Other income and expense-Net					(927,770)
Profit from operations					174,063,810
Finance Cost					(99,203,574)
Profit before taxation					74,860,236

Quarter ended 30 September 2013

Total Sale	1,022,105,864	1,437,836,581	155,217,799	-	2,615,160,244
Intersegment Sale	(518,099,657)	(742,551)	(155,217,799)	-	(674,060,007)
External Sale	504,006,207	1,437,094,030	-	-	1,941,100,237
Profit before taxation and unallocated income / expense	58,225,404	98,235,344	7,867,679	(1,380,000)	162,948,427
Other income and expense-Net					7,297,771
Profit from operations					170,246,198
Finance Cost					(99,901,377)
Profit before taxation					70,344,821

8.2 There is no material change in segment assets from amount disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2014.

9. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited 30 September 2014 Rupees	Un-audited 30 September 2013 Rupees
Remuneration paid to Chief Executive Officer, Directors and Executives	23,895,803	15,024,208
Contribution to employees' provident fund trust	4,359,156	3,228,915

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 27 October 2014 by the Board of Directors of the Holding Company.

12. CORRESPONDING FIGURES

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


RIAZ AHMED
Director



Kohinoor Mills Limited

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