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KOHINOOR TEXTILE MILLS LIMITED
A KOHINOOR MAPLE LEAF GROUP COMPANY

FIRST QUARTERLY REPORT
SEPTEMBER 30, 2013

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Company Information

BOARD OF DIRECTORS

MR. TARIQ SAYEED SAIGOL	CHAIRMAN
MR. TAUFIQUE SAYEED SAIGOL	CHIEF EXECUTIVE
MR. SAYEED TARIQ SAIGOL	
MR. WALEED TARIQ SAIGOL	
MR. DANIAL TAUFIQUE SAIGOL	
MR. ZAMIRUDDIN AZAR	
MR. ARIF IJAZ	
SYED MOHSIN RAZA NAQVI	

AUDIT COMMITTEE

MR. ZAMIRUDDIN AZAR	CHAIRMAN
MR. ARIF IJAZ	MEMBER
MR. SAYEED TARIQ SAIGOL	MEMBER
MR. WALEED TARIQ SAIGOL	MEMBER

HUMAN RESOURCE & REMUNERATION COMMITTEE

MR. ARIF IJAZ	CHAIRMAN
MR. SAYEED TARIQ SAIGOL	MEMBER
MR. DANIAL TAUFIQUE SAIGOL	MEMBER

CHIEF FINANCIAL OFFICER

SYED MOHSIN RAZA NAQVI

COMPANY SECRETARY

MR. MUHAMMAD ASHRAF

CHIEF INTERNAL AUDITOR

MR. BILAL HUSSAIN

AUDITORS

M/S. RIAZ AHMAD & COMPANY
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

42-LAWRENCE ROAD, LAHORE.
TEL: (92-042) 36302261-62
FAX: (92-042) 36368721

SHARE REGISTRAR

VISION CONSULTING LTD
3-C, LDA FLATS,
LAWRENCE ROAD, LAHORE.
TEL: (92-042) 36375531-36375339
FAX: (92-042) 36374839
E-MAIL: shares@vcl.com.pk
WEBSITE: www.vcl.com.pk

BANKERS

AL BARAKA BANK (PAKISTAN) LIMITED
ALLIED BANK LIMITED
ASKARI BANK LIMITED
BANK ALFALAH LIMITED
BANK AL-HABIB LIMITED
FAYSAL BANK LIMITED
HSBC BANK MIDDLE EAST LIMITED
MCB BANK LIMITED

MEEZAN BANK LIMITED
NATIONAL BANK OF PAKISTAN
NIB BANK LIMITED
SAUDI PAK INDUSTRIAL & AGRICULTURAL INVESTMENT CO. LTD.
SILK BANK LIMITED
STANDARD CHARTERED BANK (PAKISTAN) LIMITED
THE BANK OF PUNJAB
UNITED BANK LIMITED

MILLS

- PESHAWAR ROAD, RAWALPINDI
TEL: (92-051) 5473940-3 FAX: (92-051) 5471795
- 8th K.M., MANGA RAIWIND ROAD, DISTRICT KASUR
TEL: (92-042) 35394133-35 FAX: (92-042) 35394132
- GULYANA ROAD, GUJAR KHAN, DISTRICT RAWALPINDI
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WEBSITE: www.kmlg.com

NOTE: KTML's Financial Statements are also available at the above website.

Directors' Review

The Directors present un-audited accounts of the Company for the quarter ended September 30, 2013, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

OPERATING AND FINANCIAL RESULTS

The Company recorded after-tax profit of Rs.189 million compared to profit after tax of Rs.188 million during the corresponding period last year.

Sales turnover for the period amounted to Rs.3,619 million against Rs.3,345 million, showing increase of 8.19% over the same period last year. The Company earned gross profit of Rs.566 million (15.63%) relative to gross profit of Rs.532 million (15.91%) during the corresponding period last year. Operating profit for the period before adjustment for financial charges amounted to Rs.383 million for the period, against Rs.393 million in the previous year.

The performance of the Company's spinning divisions improved in the first quarter as compared to the last quarter of the previous financial year; this is due, in large part, to increased demand for higher thread-count yarns, resulting from commencement of the season for lawns and voiles. This improvement came despite significantly increased prices of Extra Long Staple (ELS) cotton, and substantially higher costs of power and fuel. However, the ELS cotton supply worldwide has been severely curtailed due to substantially decreased planted acreage globally, which is making the continued production of higher thread-count yarns less feasible and may require a shift in the Company's model towards medium and coarse-count production. The Company is continuing its efforts to supplement its machinery to achieve capability to change product mix as desired, with some equipment having been put into production, and further arrivals expected shortly. The Company is also continuing to diversify further into other branded synthetic fibers to lower its dependence on use of ELS cotton.

The weaving division's performance has been similar to the previous quarter, but we expect better results going forward due to the effect of devaluation of the Pakistani currency. However, this is dependent on the consistency of supply of energy in order to ensure high utilizations and efficiencies.

The processing and cut & sew divisions performed better, largely as a result of the effects of Rupee devaluation on existing contracts, providing an unexpected windfall. Devaluation has resulted in the Company becoming more competitive, and should result in increased turnover moving forward. Further, it has, to some degree, offset inflationary pressures.

The energy supply situation in the quarter under review was much improved over the previous quarter. However, huge cost increases in power and gas from the month of August have negatively impacted the financial results in this quarter. As the winter period sets in, in the coming quarter, we fear that the situation will again deteriorate, and hope that the government will appreciate the necessity of consistent supplies of power and gas to industry for fulfilling export commitments. The Company continues to reduce its energy footprint, and intends to accelerate these efforts.

ACKNOWLEDGEMENTS

As always, the Company remains thankful to all its employees, partners and stakeholders for their efforts and continued support.

For and on behalf of the Board



Taufique Sayeed Saigol
Chief Executive

Lahore
October 29, 2013

Unconsolidated Condensed Interim Balance Sheet

As at 30 September 2013

	Note	Un-audited 30 September 2013	Audited 30 June 2013
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2013 : 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2013 : 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid up share capital			
245,526,216 (30 June 2013 : 245,526,216) ordinary shares of Rupees 10 each		2,455,262	2,455,262
Reserves		2,733,053	2,544,007
Total equity		5,188,315	4,999,269
Surplus on revaluation of land and investment properties		3,673,825	3,673,825
NON-CURRENT LIABILITIES			
Long term financing	5	75,893	38,958
Liabilities against assets subject to finance lease		-	-
Deferred income tax liability		371,851	350,549
		447,744	389,507
CURRENT LIABILITIES			
Trade and other payables		1,478,736	1,248,315
Accrued mark-up		116,749	104,101
Short term borrowings		4,150,937	4,329,341
Current portion of non-current liabilities		423,071	576,239
		6,169,493	6,257,996
Total liabilities		6,617,237	6,647,503
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		15,479,377	15,320,597

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,985,058	5,959,112
Intangible assets		2,187	3,006
Investment properties		1,729,843	1,729,843
Long term investment		3,248,680	3,248,680
Long term deposits		35,317	40,382
		11,001,085	10,981,023
CURRENT ASSETS			
Stores, spare parts and loose tools		376,893	365,281
Stock-in-trade		1,904,291	1,768,203
Trade debts		1,059,335	1,066,724
Advances		185,885	223,272
Security deposits and prepayments		39,493	32,585
Accrued interest		3,794	6,229
Other receivables		484,771	412,521
Short term investments		1,019	1,040
Taxation recoverable		126,953	142,867
Cash and bank balances		295,858	320,852
		4,478,292	4,339,574
TOTAL ASSETS		15,479,377	15,320,597


DIRECTOR

**Unconsolidated Condensed Interim
Profit and Loss Account (Un-Audited)
For the quarter ended 30 September 2013**

	30 September 2013	30 September 2012
	(Rupees in thousand)	
SALES	3,618,591	3,344,657
COST OF SALES	(3,053,050)	(2,812,482)
GROSS PROFIT	565,541	532,175
DISTRIBUTION COST	(125,134)	(96,733)
ADMINISTRATIVE EXPENSES	(64,054)	(55,193)
OTHER EXPENSES	(11,883)	(231)
	(201,071)	(152,157)
OTHER INCOME	364,470	380,018
	18,209	12,947
PROFIT FROM OPERATIONS	382,679	392,965
FINANCE COST	(136,274)	(185,975)
PROFIT BEFORE TAXATION	246,405	206,990
PROVISION FOR TAXATION	(57,359)	(19,352)
PROFIT AFTER TAXATION	189,046	187,638
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	0.77	0.76

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)**
For the quarter ended 30 September 2013

QUARTERLY REPORT
KOHINOOR TEXTILE MILLS LIMITED

	30 September 2013	30 September 2012
	(Rupees in thousand)	
PROFIT AFTER TAXATION	189,046	187,638
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	189,046	187,638

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

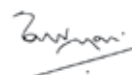
Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited) For the quarter ended 30 September 2013

	Note	30 September 2013 (Rupees in thousand)	30 September 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	497,622	654,970
Finance cost paid		(121,326)	(204,264)
Income tax paid		(20,143)	(18,546)
Net decrease in long term deposits		5,065	3,566
Net cash generated from operating activities		361,218	435,726
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(107,529)	(6,107)
Interest received		6,774	7,512
Proceeds from sale of property, plant and equipment		9,180	-
Proceeds from sale of investment		-	-
Dividend received		-	-
Net cash (used in) / generated from investing activities		(91,575)	1,405
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		43,423	-
Short term borrowings - net		(178,404)	(283,138)
Repayment of long term financing		(149,200)	(145,647)
Repayment of liabilities against assets subject to finance lease		(10,456)	(11,662)
Net cash used in financing activities		(294,637)	(440,447)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(24,994)	(3,316)
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD		320,852	385,503
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		295,858	382,187

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the quarter ended 30 September 2013

	Reserves					Total Equity	
	Share Capital	Capital Reserve		Revenue Reserves			Total Re-serves
		Share Premium	General Reserve	Accumulated Profit	Sub Total		
Balance as at 30 June 2012 - (Audited)	2,455,262	144,919	1,450,491	464,065	1,914,556	2,059,475	4,514,737
Profit for the quarter ended 30 September 2012	-	-	-	187,638	187,638	187,638	187,638
Other comprehensive income for the quarter ended 30 September 2012	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	187,638	187,638	187,638	187,638
Balance as at 30 September 2012 - (Un-Audited)	2,455,262	144,919	1,450,491	651,703	2,102,194	2,247,113	4,702,375
Profit for the period ended 30 June 2013	-	-	-	296,894	296,894	296,894	296,894
Other comprehensive income for the period ended 30 June 2013	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 June 2013	-	-	-	296,894	296,894	296,894	296,894
Balance as at 30 June 2013 - (Audited)	2,455,262	144,919	1,450,491	948,597	2,399,088	2,544,007	4,999,269
Profit for the quarter ended 30 September 2013	-	-	-	189,046	189,046	189,046	189,046
Other comprehensive income for the quarter ended 30 September 2013	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2013	-	-	-	189,046	189,046	189,046	189,046
Balance as at 30 September 2013 - (Un-Audited)	2,455,262	144,919	1,450,491	1,137,643	2,588,134	2,733,053	5,188,315

(Rupees in thousand)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-Audited)

For the quarter ended 30 September 2013

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at 42 Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information of the Company for the quarter ended 30 September 2013 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 is un-audited and is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2013.

3. ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
5. LONG TERM FINANCING		
Secured		
Opening balance	594,723	1,106,197
Add : Additions during the period / year	43,423	32,470
	638,146	1,138,667
Less: Repayment during the period / year	149,200	543,944
	488,946	594,723
Less: Current portion shown under current liabilities	413,053	555,765
Closing balance	75,893	38,958

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

6.2 Commitments in respect of letters of credit

- Letters of credit for capital expenditure amount to Rupees 50.582 million (30 June 2013: Rupees 44.115 million).
- Letters of credit other than for capital expenditure amount to Rupees 255.597 million (30 June 2013: Rupees 204.953 million).

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 7.1)	5,867,195	5,851,284
Leased (Note 7.2)	66,886	68,477
Capital work-in-progress (Note 7.3)	50,977	39,351
	5,985,058	5,959,112
7.1 OPERATING FIXED ASSETS - OWNED		
Opening book value	5,851,284	6,008,509
Add : Cost of additions/ transfers during the period / year (Note 7.1.1)	95,903	164,323
	5,947,187	6,172,832
Less: Book value of deletions during the period / year (7.1.2)	2,918	4,512
	5,944,269	6,168,320
Less: Depreciation charged during the period / year	77,074	317,036
Closing book value	5,867,195	5,851,284

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
7.1.1 Cost of additions / Transfer		
Buildings	2,411	5,574
Plant and machinery	81,699	145,126
Service and other equipment	-	1,027
Computers	385	4,319
Furniture and fixture	70	333
Office equipment	843	3,648
Vehicles	10,495	4,296
	95,903	164,323
7.1.2 Book value of deletions / transfers		
Plant and machinery	2,158	2,408
Computers	-	162
Vehicles	760	1,942
	2,918	4,512
7.2 Operating fixed assets - Leased		
Opening book value	68,477	144,287
Less: Book value of deletions during the period / year (Note 7.2.1)	-	66,852
	68,477	77,435
Less : Depreciation charged during the period / year	1,591	8,958
Closing book value	66,886	68,477
7.2.1 Book value of deletions / transfers		
Plant and machinery	-	66,852
	-	66,852
7.3 CAPITAL WORK-IN-PROGRESS		
Civil works and buildings	2,979	2,663
Plant and machinery	47,998	36,688
	50,977	39,351

	Un-audited 30 September 2013 (Rupees in thousand)	Un-audited 30 September 2012
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	246,405	206,990
Adjustments for non-cash charges and other items:		
Depreciation	78,665	83,329
Amortization	819	820
Finance cost	133,974	185,975
Gain on sale of property, plant and equipment	(6,262)	-
Loss / (gain) on remeasurement of fair value of investments at fair value	21	(178)
Return on bank deposits	(4,339)	(7,295)
Working capital changes (Note 8.1)	48,339	185,329
	497,622	654,970
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(11,612)	(5,222)
Stock-in-trade	(136,088)	106,038
Trade debts	7,389	15,444
Advances	37,387	(31,550)
Security deposits and prepayments	(6,908)	(4,059)
Other receivables	(72,250)	(5,335)
	(182,082)	75,316
Increase in current liabilities:		
Trade and other payables	230,421	110,013
	48,339	185,329

9. SEGMENT INFORMATION

9.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Company	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012
SALES:										
EXTERNAL INTER-SEGMENT	1,342,989	1,377,804	670,474	719,893	1,605,128	1,246,960	-	-	3,618,591	3,344,657
	337,397	131,940	183,272	174,365	-	-	(520,669)	(306,305)	-	-
COST OF SALES	1,680,386	1,509,744	863,746	894,258	1,605,128	1,246,960	(520,669)	(306,305)	3,618,591	3,344,657
	(1,439,898)	(1,263,494)	(764,159)	(798,518)	(1,369,662)	(1,056,775)	520,669	306,305	(3,053,050)	(2,812,482)
GROSS PROFIT	240,488	246,250	89,587	95,740	235,466	190,185	-	-	565,541	532,175
SELLING AND DISTRIBUTION EXPENSES	(2,603)	(2,943)	(23,117)	(20,629)	(99,414)	(73,161)	-	-	(125,134)	(96,733)
ADMINISTRATIVE EXPENSES	(17,477)	(16,246)	(22,476)	(19,636)	(24,101)	(19,311)	-	-	(64,094)	(55,193)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(20,080)	(19,189)	(45,593)	(40,265)	(123,515)	(92,472)	-	-	(189,188)	(151,926)
UNALLOCATED INCOME AND EXPENSES	220,408	227,061	43,994	55,475	111,951	97,713	-	-	376,353	380,249
OTHER EXPENSES										
OTHER INCOME									(11,883)	(231)
FINANCE COST									18,209	12,947
PROVISION FOR TAXATION									(136,274)	(185,975)
PROFIT AFTER TAXATION									(187,307)	(192,611)

9.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013
TOTAL ASSETS FOR REPORTABLE SEGMENTS	2,949,980	3,066,137	2,108,504	2,063,671	2,779,059	2,578,602	7,837,543	7,708,440
UNALLOCATED ASSETS							7,644,834	7,612,187
TOTAL ASSETS PER BALANCE SHEET							15,479,377	15,320,597
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.								
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,013,705	1,188,457	1,067,666	1,160,446	2,679,778	2,699,854	4,761,160	5,048,757
UNALLOCATED LIABILITIES							1,856,077	1,598,746
							6,617,237	6,647,503

All segment liabilities are allocated to reportable segments other than trade and other payables, corporate borrowings and current and deferred tax liabilities.

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of a subsidiary company, associated companies, key management personnel and provident fund trust. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in this unconsolidated condensed interim financial information are as follows:

	Un-audited 30 September 2013 (Rupees in thousand)	un-audited 30 September 2012
Subsidiary company		
Purchase of goods and services	155	127
Other related parties		
Company's contribution to provident fund trust	6,147	6,736
Remuneration paid to Chief Executive Officer, Directors and Executives	31,199	26,689

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

12. AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 29 October 2013.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, where ever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

14. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



KOHINOOR TEXTILE MILLS LIMITED

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION**

**FOR THE QUARTER ENDED
30 SEPTEMBER 2013**

Directors' Review

The Directors are pleased to present their report together with the un-audited Group results of Kohinoor Textile Mills Limited and its subsidiary, Maple Leaf Cement Factory Limited for the quarter ended September 30, 2013. Kohinoor Textile Mills Limited (Holding Company) holds 64.50% shares of Maple Leaf Cement Factory Limited (Subsidiary Company).

The Group recorded after-tax profit of Rupees 808.530 million as compared Rupees 635.398 million during corresponding period. The consolidated profit of the Holding Company and its share in its subsidiary for the period is Rupees 588.613 million as compared to Rupees 468.070 million for the corresponding period.

The Subsidiary earned after tax profit of Rupees 556.239 million as compared to after tax profit of Rupees 384.409 million for the corresponding period.

For and on behalf of the Board



Taufique Sayeed Saigol
Chief Executive

Lahore
October 29, 2013

Consolidated Condensed Interim Balance Sheet

As at 30 September 2013

	Note	Un-audited 30 September 2013	Audited 30 June 2013
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2013 : 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2013 : 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up share capital			
245,526,216 (30 June 2013: 245,526,216) ordinary shares of Rupees 10 each		2,455,262	2,455,262
Reserves		4,252,045	3,663,432
Equity attributable to equity holders of the Holding Company		6,707,307	6,118,694
Non-controlling interest		2,623,591	2,403,674
Total equity		9,330,898	8,522,368
Surplus on revaluation of land and investment properties		4,044,540	4,044,540
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	1,807,359	2,826,127
Redeemable capital		6,183,000	6,383,000
Liabilities against assets subject to finance lease		839,736	840,848
Long term deposits		6,979	7,029
Retirement benefits		57,317	58,885
Deferred income tax liability		371,851	350,549
		<u>9,266,242</u>	<u>10,466,438</u>
CURRENT LIABILITIES			
Trade and other payables		4,043,676	4,189,112
Accrued mark-up		355,929	465,935
Short term borrowings		7,519,607	7,607,007
Current portion of non-current liabilities		3,098,781	2,478,979
		<u>15,017,993</u>	<u>14,741,033</u>
Total liabilities		24,284,235	25,207,471
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>37,659,673</u>	<u>37,774,379</u>

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



	Note	Un-audited 30 September 2013	Audited 30 June 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	24,870,328	25,003,183
Intangible assets		2,187	3,006
Investment properties		1,729,843	1,729,843
Long term Investments		1,625	1,625
Long term loans to employees		3,542	3,608
Long term deposits		90,769	95,128
		<u>26,698,294</u>	<u>26,836,393</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		3,957,941	4,116,667
Stock -in- trade		2,834,955	2,707,103
Trade debts		1,717,523	1,824,668
Loans and advances		508,282	384,976
Security deposits and short term prepayments		164,064	107,393
Accrued interest		365	6,575
Other receivables		556,292	511,407
Short term investments		6,719	8,390
Taxation recoverable		427,960	426,415
Cash and bank balances		787,278	844,392
		<u>10,961,379</u>	<u>10,937,986</u>
TOTAL ASSETS		<u><u>37,659,673</u></u>	<u><u>37,774,379</u></u>


DIRECTOR

**Consolidated Condensed Interim
Profit and Loss Account (Un-Audited)
For the quarter ended 30 September 2013**

	30 September 2013	30 September 2012
	(Rupees in thousand)	
SALES	7,810,384	7,152,336
COST OF SALES	(5,802,516)	(5,404,073)
GROSS PROFIT	2,007,868	1,748,263
DISTRIBUTION COST	(356,871)	(282,907)
ADMINISTRATIVE EXPENSES	(130,817)	(108,357)
OTHER EXPENSES	(36,053)	(951)
	(523,741)	(392,215)
OTHER INCOME	1,484,127	1,356,048
	32,436	13,424
PROFIT FROM OPERATIONS	1,516,563	1,369,472
FINANCE COST	(608,523)	(695,559)
PROFIT BEFORE TAXATION	908,040	673,913
PROVISION FOR TAXATION	(99,510)	(38,515)
PROFIT AFTER TAXATION	808,530	635,398
SHARE OF PROFIT ATTRIBUTABLE TO: EQUITY HOLDERS OF HOLDING COMPANY NON CONTROLLING INTEREST	588,613	468,070
DIVIDEND ON PREFERENCE SHARES	-	12,982
SHARE IN PROFIT FOR THE PERIOD	219,917	154,346
	219,917	167,328
	808,530	635,398
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	2.40	1.91

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**Consolidated Condensed Interim
Statement of Comprehensive Income (Un-Audited)**
For the quarter ended 30 September 2013

	30 September 2013	30 September 2012
	(Rupees in thousand)	
PROFIT AFTER TAXATION	808,530	635,398
OTHER COMPREHENSIVE INCOME		
Surplus on remeasurement of available for sale investments	-	-
Reclassification adjustment for gain/ loss included in profit and loss	-	-
Deferred income tax on remeasurement of available for sale investments	-	-
Other comprehensive income for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	808,530	635,398
Share of total comprehensive income attributable to:		
Equity holders of Holding Company	588,613	468,070
Non-controlling interest	219,917	167,328
	808,530	635,398

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Consolidated Condensed Interim Cash Flow Statement (Un-Audited) For the quarter ended 30 September 2013

	Note	30 September 2013 (Rupees in thousand)	30 September 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,778,771	1,704,598
Finance cost paid		(650,337)	(750,051)
Compensated absences paid		(4,976)	(3,589)
Income tax paid		(79,752)	(60,858)
Net decrease in long term deposits		4,375	3,766
Net cash generated from operating activities		1,048,081	893,866
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(280,114)	(59,412)
Long term loans to employees		-	387
Interest received		6,774	10,778
Proceeds from sale of property, plant and equipment		10,895	-
Net cash used in investing activities		(262,445)	(48,247)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from long term financing		43,423	-
Short term borrowings (net)		(87,400)	(296,218)
Repayment of long term financing		(424,392)	(327,628)
Repayment of redeemable capital		(232,869)	(253,106)
Repayment of liabilities against assets subject to finance lease		(52,131)	(25,551)
Redemption of preference shares		(89,380)	-
Dividend paid		(1)	-
Net cash used in financing activities		(842,750)	(902,503)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(57,114)	(56,884)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		844,392	848,729
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		787,278	791,845

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the quarter ended 30 September 2013

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							NON CONTROLLING INTEREST	TOTAL EQUITY
SHARE CAPITAL		RESERVES			TOTAL Reserves	TOTAL		
		CAPITAL RESERVE	REVENUE RESERVES					
Share premium	General Reserve	(Accumulated loss) / Unappropriated profit	Sub Total					
2,455,262	144,919	1,450,491	(112,379)	1,338,112	1,483,031	3,938,293	1,335,388	5,273,681
-	-	-	468,070	468,070	-	468,070	167,328	635,398
-	-	-	468,070	468,070	-	468,070	167,328	635,398
2,455,262	144,919	1,450,491	355,691	1,806,182	1,951,101	4,406,363	1,502,716	5,909,079
-	-	-	(542,486)	(542,486)	-	(542,486)	(528,263)	(528,263)
-	-	-	-	-	-	542,486	(179,253)	-
-	-	-	2,254,817	2,254,817	-	2,254,817	1,065,988	3,320,805
-	-	-	2,254,817	2,254,817	-	2,254,817	1,065,988	3,320,805
2,455,262	144,919	1,450,491	2,068,022	3,518,513	3,663,432	6,118,694	2,403,674	8,522,368
-	-	-	588,613	588,613	-	588,613	219,917	808,530
-	-	-	588,613	588,613	-	588,613	219,917	808,530
2,455,262	144,919	1,450,491	2,656,635	4,107,126	4,252,045	6,707,307	2,623,591	9,330,898

Balance as at 30 June 2012 - (Audited)

Profit for the quarter ended 30 September 2012
Other comprehensive income for the quarter ended 30 September 2012

Total comprehensive income for the quarter ended 30 September 2012

Balance as at 30 September 2012 - (Un-Audited)

Redemption of preference shares

Decrease in interest of equity holders of the Holding Company
Dividend paid to minority shareholders

Profit for the period ended 30 June 2013
Other comprehensive income for the period ended 30 June 2013

Total comprehensive income for the period ended 30 June 2013

Balance as at 30 June 2013 - (Audited)

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

Total comprehensive income for the quarter ended 30 September 2013

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

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-Audited)

For the quarter ended 30 September 2013

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Kohinoor Textile Mills Limited ("the Holding Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and listed on all Stock Exchanges of Pakistan. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The Holding Company holds 64.50% (2013: 64.50%) shares of Maple Leaf Cement Factory Limited. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

1.2 Subsidiary Company

Maple Leaf Cement Factory Limited ("the Subsidiary") was incorporated in Pakistan on 13 April, 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares and was listed on stock exchanges in Pakistan on 17 August, 1994. The registered office of the Subsidiary is situated at 42-Lawrence Road, Lahore. The Subsidiary is engaged in production and sale of cement.

2. BASIS OF PREPARATION

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2013.

3. ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 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 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 company for the year ended 30 June 2013.

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
5. LONG TERM FINANCING		
Secured		
Opening balance	4,304,710	5,502,187
Add : Addition during the period / year	43,423	32,470
Less: Repayments during the period/ year	424,392	1,229,947
	3,923,741	4,304,710
Less: Current portion shown under Current liabilities	2,116,382	1,478,583
	1,807,359	2,826,127

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2013 except for guarantees issued by banks in respect of financial and operational obligations of the Group amounting to Rupees 683.913 million (30 June 2013: Rupees 678.121 million).

6.2 Commitments in respect of :

Commitments in respect of :

- (i) Contracts for capital expenditure are Rupees 51.563 million (30 June 2013 : Rupees 65.709 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 451.475 million (30 June 2013: Rupees 393.450 million).

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets :		
Owned (Note 7.1)	23,930,920	24,063,230
Leased (Note 7.2)	802,314	812,950
Capital work-in-progress (Note 7.3)	137,094	127,003
	24,870,328	25,003,183

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
7.1 Operating fixed assets - Owned		
Opening book value	24,063,230	25,029,089
Add: Cost of additions during the period / year (Note 7.1.1)	270,023	566,859
Add: Transferred from leased assets (Note 7.2)	-	66,852
Less: Reversal of revaluation surplus during the year	-	-
	<u>24,333,253</u>	<u>25,662,800</u>
Less: Book value of deletions during the period / year (7.1.2)	3,283	5,985
	<u>24,329,970</u>	<u>25,656,815</u>
Less: Depreciation charged during the period / year	399,050	1,593,585
Closing book value	<u><u>23,930,920</u></u>	<u><u>24,063,230</u></u>
7.1.1 Cost of additions		
Buildings	7,702	25,561
Plant and machinery	209,781	480,963
Service and other equipment	-	1,027
Computer and IT installations	385	4,293
Furniture and fixture	40,747	15,815
Office equipment	842	3,648
Vehicles	10,566	35,552
Quarry equipment	-	-
	<u>270,023</u>	<u>566,859</u>
7.1.2 Book value of deletions		
Plant and machinery	2,158	2,408
Furniture and fixture	-	162
Vehicles	1,125	3,415
	<u>3,283</u>	<u>5,985</u>
7.2 Operating fixed assets - Leased		
Opening book value	812,950	899,781
Less: Transferred to owned assets (Note 7.1)	-	66,852
	<u>812,950</u>	<u>832,929</u>
Less: Depreciation charged during the period / year	10,636	19,979
Closing book value	<u><u>802,314</u></u>	<u><u>812,950</u></u>

	Un-audited 30 September 2013 (Rupees in thousand)	Audited 30 June 2013
7.3 Capital work-in-progress		
Civil works and buildings	2,979	-
Plant and machinery	99,348	92,260
Un-allocated capital expenditure	1,001	1,001
Advances to suppliers against:		
- purchase of land	2,000	2,000
- furniture and fixture	-	19,136
- plant and machinery	29,680	11,601
- vehicles	2,086	1,005
	137,094	127,003
	137,094	127,003
	Un-audited 30 September 2013 (Rupees in thousand)	Un-audited 30 September 2012
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	908,040	673,913
Adjustment for non-cash charges and other items		
Depreciation	409,686	403,535
Amortization of intangible assets	819	2,815
Finance cost	606,223	699,970
Provision for doubtful debts	-	2,550
Employees' compensated absences	3,404	5,247
Gain on sale of property, plant and equipment	(7,612)	-
(Gain) / loss on remeasurement of investment	1,671	(178)
Return on bank deposits	(4,357)	(7,295)
Working capital changes (Note 8.1)	(139,103)	(75,959)
	1,778,771	1,704,598
	1,778,771	1,704,598
8.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	158,726	(219,524)
Stock-in-trade	(127,853)	99,999
Trade debts	107,145	96,644
Loans and advances	(123,306)	(171,467)
Security deposits and short term prepayments	(52,877)	(512)
Other receivables	39,609	11,788
	1,444	(183,072)
(Decrease) / increase in current liabilities		
Trade and other payables	(140,547)	107,113
	(139,103)	(75,959)
	(139,103)	(75,959)

9. SEGMENT INFORMATION

9.1

	Spinning		Weaving		Processing and home textile		Cement		Elimination of inter-segment transactions		Total - Group	
	Un-Audited Quarter ended	30 Sep. 12	Un-Audited Quarter ended	30 Sep. 12	Un-Audited Quarter ended	30 Sep. 12	Un-Audited Quarter ended	30 Sep. 12	Un-Audited Quarter ended	30 Sep. 12	Un-Audited Quarter ended	30 Sep. 12
SALES :												
EXTERNAL INTER-SEGMENT	1,342,989 337,397	1,377,804 131,940	670,474 183,272	719,893 174,365	1,605,128 -	1,246,960 -	4,191,793 155	3,807,679 127	- (520,824)	- (306,432)	7,810,384 -	7,152,336 -
COST OF SALES	1,680,386 (1,439,898)	1,509,744 (1,263,494)	853,746 (764,159)	894,258 (798,518)	1,605,128 (1,369,662)	1,246,960 (1,056,775)	4,191,948 (2,749,621)	3,807,806 (2,591,718)	(520,824) 520,824	(306,432) 306,432	7,810,384 (5,802,516)	7,152,336 (5,404,073)
GROSS PROFIT	240,488	246,250	89,587	95,740	235,466	190,185	1,442,327	1,216,088	-	-	2,007,868	1,748,263
DISTRIBUTION COST	(2,603)	(2,943)	(23,117)	(20,629)	(99,414)	(73,161)	(231,737)	(186,174)	-	-	(356,871)	(282,907)
ADMINISTRATIVE EXPENSES	(17,477)	(16,246)	(22,476)	(19,636)	(24,101)	(19,311)	(66,763)	(53,164)	-	-	(130,817)	(108,357)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(20,080)	(19,189)	(45,593)	(40,265)	(123,515)	(92,472)	(298,500)	(239,338)	-	-	(487,688)	(391,264)
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												

(Rupees in thousand)

9.2 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and home textile		Cement		Total - Group	
	Un-audited 30 Sep. 13	Audited 30 June 13	Un-audited 30 Sep. 13	Audited 30 June 13	Un-audited 30 Sep. 13	Audited 30 June 13	Un-audited 30 Sep. 13	Audited 30 June 13	Un-audited 30 Sep. 13	Audited 30 June 13
TOTAL ASSETS FOR REPORTABLE SEGMENT	2,949,980	3,066,137	2,108,504	2,063,671	2,779,059	2,578,602	25,470,893	25,787,113	33,308,436	33,495,523
UNALLOCATED ASSETS									4,351,237	4,278,856
TOTAL ASSETS AS PER BALANCE SHEET									37,659,673	37,774,379
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,013,716	1,188,457	1,067,666	1,160,446	2,679,778	2,699,854	15,102,058	15,704,709	19,863,218	20,753,466
UNALLOCATED LIABILITIES									4,421,017	4,454,005
TOTAL LIABILITIES AS PER BALANCE SHEET									24,284,235	25,207,471

(Rupees in thousand)

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associated undertakings, directors of the Group and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Un-audited 30 September 2013 (Rupees in thousand)	un-audited 30 September 2012
Other related parties		
Group's contribution to employee's benefits	6,147	6,736
Remuneration paid to Chief Executive Officers, Directors and Executives	60,271	50,864

11. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2013.

12. AUTHORIZATION

This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Company on 29 October 2013.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, where ever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

14. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



KTM

Kohinoor Textile Mills Limited

42 Lawrence Road, Lahore, Pakistan