

**KTM**

**Kohinoor Textile Mills Limited**

A Kohinoor Maple Leaf Group Company



*Third Quarterly Report*  
*March 31, 2012*





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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. SAYEED TARIQ SAIGOL	MEMBER
MR. WALEED TARIQ SAIGOL	MEMBER
MR. DANIAL TAUFIQUE SAIGOL	MEMBER
MR. ARIF IJAZ	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  
BURJ BANK LTD  
CITIBANK N.A.  
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  
TEL: (92-0513) 564472-74 FAX: (92-0513) 564337  
WEB SITE: www.krmlg.com

Note: KTM'L'S FINANCIAL STATEMENTS ARE ALSO AVAILABLE AT THE ABOVE WEBSITE.



## Directors' Review

The Directors present un-audited accounts of the Company for the nine months ended March 31, 2012, in compliance with requirements of Section 245 of the Companies Ordinance, 1984.

### OPERATING AND FINANCIAL RESULTS

The Company recorded after-tax profit of Rs.16.653 million for the nine months ended on March 31, 2012, as compared to after-tax profit of Rs.140.023 million during the corresponding period last year.

Sales turnover for the period amounted to Rs.7,927.963 million, a substantial decrease of 18.16% from last year due to considerably reduced cotton prices this year resulting in sharp depreciation in selling rates for the Company's products. The Company earned gross profit of Rs.1,252.469 million (15.80%), relative to gross profit of Rs.1,527.669 million (15.77%) during the same period last year. Operating profit before adjustment for financial charges amounted to Rs.844.694 million for the period under review, compared to Rs.1,016.383 million during the previous corresponding period.

The period under review has been marked by significant shortages of natural gas and electricity which necessitated the use of Heavy Furnace Oil (HFO) and Liquid Petroleum Gas (LPG) to generate energy for operations. The high cost associated with this substitution has resulted in much reduced margins than was originally envisaged for the third quarter.

The Company's spinning segments have performed well over this period despite use of expensive energy resulting in lower than expected profitability. The impact of this has been somewhat contained due to completion of arrangements for electricity supply from IESCO. The economics of the spinning business continue to exhibit a favorable trend as the domestic fine thread count business thrives on the back of robust sales of ladies clothing, particularly lawns and voiles. The Company has procured, at reasonable prices, raw material stocks sufficient for spinning operations till the arrival of the new crop. We expect a strong performance from this segment through the upcoming period.

The weaving segment continues to operate at full capacity and contributed well to the bottom line of the Company. However, the outlook for home textiles is less favorable, as the sector continues to face difficulties due to ongoing recession in Europe and North America. This situation, as well as the continuing increases in utility costs, has negatively impacted our financial results. The Company continues in its efforts to reduce costs to offset inflationary trends.

The energy shortages have also had a negative impact on the company's Processing and Cut & Sew operations. However, as yarn prices are considerably lower than last year, these segments have delivered improved results. The Company continues to work to improve yields, and has taken stringent cost reduction measures. Further, marketing efforts are continuing to locate customers requiring higher thread count products which we consider to be our niche market. This, combined with our expectation of improved availability of natural gas over the warmer months, leads us to hold an optimistic outlook for the next quarter.

### 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 Officer

Lahore  
April 25, 2012



# Unconsolidated Condensed Interim Balance Sheet

As at 31 March 2012

	Note	Un-audited 31 March 2012	Audited 30 June 2011
<b>(Rupees in thousand)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2011 : 370,000,000) ordinary shares of Rupees 10 each		<b>3,700,000</b>	3,700,000
30,000,000 (30 June 2011 : 30,000,000) preference shares of Rupees 10 each		<b>300,000</b>	300,000
		<b>4,000,000</b>	4,000,000
<b>Issued, subscribed and paid-up share capital</b>			
245,526,216 (30 June 2011 : 245,526,216) ordinary shares of Rupees 10 each		<b>2,455,262</b>	2,455,262
Reserves		<b>1,948,027</b>	1,931,374
<b>Total equity</b>		<b>4,403,289</b>	4,386,636
<b>Surplus on revaluation of land and investment properties</b>		<b>3,685,497</b>	3,685,497
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	<b>843,536</b>	1,318,710
Liabilities against assets subject to finance lease		<b>23,264</b>	42,843
Deferred income tax liability		<b>125,734</b>	62,141
		<b>992,534</b>	1,423,694
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>1,120,365</b>	834,691
Due to subsidiary company		<b>185,405</b>	-
Accrued mark-up		<b>206,547</b>	230,138
Short term borrowings		<b>4,329,734</b>	5,130,265
Current portion of non-current liabilities		<b>726,755</b>	611,744
		<b>6,568,806</b>	6,806,838
<b>TOTAL LIABILITIES</b>		<b>7,561,340</b>	8,230,532
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,650,126</b>	16,302,665

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



	Note	Un-audited 31 March 2012	Audited 30 June 2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,613,520	6,747,691
Intangible assets		7,104	9,563
Investment properties		1,721,714	1,721,714
Long term investments	8	3,248,680	3,248,880
Long term deposits		54,390	35,758
		<b>11,645,408</b>	<b>11,763,606</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		325,124	328,393
Stock-in-trade		1,658,857	1,657,252
Trade debts		845,664	707,400
Advances		296,198	241,331
Security deposits and short term prepayments		22,415	19,045
Accrued interest		-	46
Due from subsidiary companies		-	601,144
Other receivables		352,727	432,943
Short term investments		841	600
Taxation recoverable		130,806	129,909
Cash and bank balances		372,086	420,996
		<b>4,004,718</b>	<b>4,539,059</b>
<b>TOTAL ASSETS</b>		<b>15,650,126</b>	<b>16,302,665</b>



 DIRECTOR
 

# Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited) For the nine months ended 31 March 2012

	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
..... (Rupees in thousand) .....				
SALES	<b>7,927,963</b>	9,687,249	<b>2,830,267</b>	3,250,821
COST OF SALES	<b>(6,675,494)</b>	(8,159,580)	<b>(2,322,937)</b>	(2,719,057)
GROSS PROFIT	<b>1,252,469</b>	1,527,669	<b>507,330</b>	531,764
DISTRIBUTION COST	<b>(300,868)</b>	(333,504)	<b>(103,247)</b>	(98,664)
ADMINISTRATIVE EXPENSES	<b>(152,831)</b>	(158,918)	<b>(56,480)</b>	(51,335)
OTHER OPERATING EXPENSES	<b>(1,881)</b>	(54,937)	<b>(291)</b>	(10,691)
	<b>(455,580)</b>	(547,359)	<b>(160,018)</b>	(160,690)
	<b>796,889</b>	980,310	<b>347,312</b>	371,074
OTHER OPERATING INCOME	<b>47,805</b>	36,073	<b>13,530</b>	4,028
PROFIT FROM OPERATIONS	<b>844,694</b>	1,016,383	<b>360,842</b>	375,102
FINANCE COST	<b>(685,117)</b>	(785,360)	<b>(222,538)</b>	(272,301)
PROFIT BEFORE TAXATION	<b>159,577</b>	231,023	<b>138,304</b>	102,801
TAXATION				
- Current	<b>(79,331)</b>	(76,000)	<b>(28,327)</b>	(21,630)
- Deferred	<b>(63,593)</b>	(15,000)	<b>(29,250)</b>	1,631
	<b>(142,924)</b>	(91,000)	<b>(57,577)</b>	(19,999)
PROFIT AFTER TAXATION	<b>16,653</b>	140,023	<b>80,727</b>	82,802
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	<b>0.07</b>	0.65	0.33	0.39

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

Lahore  
April 25, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months ended 31 March 2012



	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
..... (Rupees in thousand) .....				
<b>PROFIT AFTER TAXATION</b>	<b>16,653</b>	140,023	<b>80,727</b>	82,802
<b>OTHER COMPREHENSIVE INCOME</b>				
Surplus on remeasurement of available for sale investment	-	120,805	-	(79,918)
Deferred income tax on remeasurement of available for sale investment	-	(31,711)	-	20,978
Other comprehensive income / (loss) for the period - net of tax	-	89,094	-	(58,940)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16,653</b>	229,117	<b>80,727</b>	23,862

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

Lahore  
April 25, 2012

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 DIRECTOR





# Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the nine months ended 31 March 2012

	Note	Nine months ended	
		31 March 2012	31 March 2011
<b>(Rupees in thousand)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	1,517,292	2,176,935
Finance cost paid		(708,708)	(835,929)
Income tax paid		(80,228)	(97,303)
Worker's Profit Participation Fund paid		-	(14,520)
Net (increase) / decrease in long term deposits		(18,632)	15,236
<b>Net cash generated from operating activities</b>		<b>709,724</b>	<b>1,244,419</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(133,309)	(86,763)
Investment made		-	(172)
Interest received		9,685	420
Proceeds from sale of property, plant and equipment		1,408	1,455
Proceeds from disposal of investments		543,905	9,004
Proceeds from sale of land classified as held for sale		-	120,000
Advance against sale of land received back		-	100,000
Dividend received		-	6,590
<b>Net cash from investing activities</b>		<b>421,689</b>	<b>150,534</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(800,531)	(852,649)
Repayment of long term financing		(349,914)	(477,316)
Repayment of liabilities against assets subject to finance lease		(29,828)	(51,815)
Dividend paid		(50)	-
<b>Net cash used in financing activities</b>		<b>(1,180,323)</b>	<b>(1,381,780)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>(48,910)</b>	<b>13,173</b>
		<b>420,996</b>	<b>78,851</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>372,086</b>	<b>92,024</b>

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

Lahore  
April 25, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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

For the nine months ended 31 March 2012

	RESERVES						TOTAL EQUITY			
	CAPITAL RESERVES			REVENUE RESERVES				TOTAL		
	Share Premium	Fair Value Reserve	Sub Total	General Reserve	Unappropriated profit / (Accumulated Loss)	Sub Total				
<b>SHARE CAPITAL</b>										
Balance as at 30 June 2010 - (Audited)	1,455,262	144,919	462,483	607,402	1,450,491	(151,887)	1,298,604	1,906,006	3,361,268	
Ordinary shares issued other than through a right issue	-	-	-	-	-	-	-	-	-	1,000,000
Total comprehensive income for the nine months ended 31 March 2011	-	-	89,094	89,094	-	140,023	140,023	140,023	229,117	229,117
Balance as at 31 March 2011 - (Un-audited)	2,455,262	144,919	551,577	696,496	1,450,491	(11,864)	1,438,627	2,135,123	4,590,385	
Total comprehensive loss for the period ended 30 June 2011	-	-	(551,577)	(551,577)	-	347,828	347,828	(203,749)	(203,749)	(203,749)
Balance as at 30 June 2011 - (Audited)	2,455,262	144,919	-	144,919	1,450,491	335,964	1,786,455	1,931,374	4,386,636	
Total comprehensive income for the nine months ended 31 March 2012	-	-	-	-	-	16,653	16,653	16,653	16,653	16,653
Balance as at 31 March 2012 - (Un-audited)	2,455,262	144,919	-	144,919	1,450,491	352,617	1,803,108	1,948,027	4,403,289	

(Rupees in thousand)

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

Lahore  
April 25, 2012



  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



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

## For the nine months ended 31 March 2012

### **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 all Stock Exchanges in Pakistan. 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 is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the nine months ended 31 March 2012 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 of the Company for the year ended 30 June 2011.

### **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 2011.

### **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 2011.



	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	1,875,947	2,321,024
Add : Obtained during the period / year	-	150,000
	<u>1,875,947</u>	<u>2,471,024</u>
Less: Repayments during the period / year	349,914	595,077
	<u>1,526,033</u>	<u>1,875,947</u>
Less: Current portion shown under current liabilities	689,974	564,714
	<u>836,059</u>	<u>1,311,233</u>
<b>Unsecured</b>	<u>7,477</u>	<u>7,477</u>
	<u><u>843,536</u></u>	<u><u>1,318,710</u></u>

## 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 2011 except for the following:

- Guarantees issued by banks in respect of financial and operational obligations of the Company amounting to Rupees 241.220 million (30 June 2011: Rupees 249.620 million).

### 6.2 Commitments in respect of:

- a) Letters of credit for capital expenditure are Rupees 31.457 million (30 June 2011: Rupees Nil).
- b) Letters of credit other than for capital expenditure are Rupees 225.183 million (30 June 2011: Rupees 42.070 million).

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets:		
Owned (Note 7.1)	6,426,551	6,578,979
Leased (Note 7.2)	152,385	166,964
Capital work-in-progress (Note 7.3)	34,584	1,748
	<u>6,613,520</u>	<u>6,747,691</u>



	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	6,578,979	6,129,589
Add : Cost of additions during the period / year (Note 7.1.1)	100,473	260,620
Add: Surplus on revaluation of freehold land during the period / year	-	11,672
Add: Transferred from leased assets (Note 7.2.2)	3,115	117,277
Add: Transferred from non-current assets classified as held for sale during the period / year	-	399,673
	<u>6,682,567</u>	<u>6,918,831</u>
Less : Book value of deletions during the period / year (Note 7.1.2)	888	5,464
	<u>6,681,679</u>	<u>6,913,367</u>
Less : Depreciation charged during the period / year	255,128	334,388
Closing book value	<u><u>6,426,551</u></u>	<u><u>6,578,979</u></u>
<b>7.1.1 Cost of additions</b>		
Buildings	7,702	77,797
Plant and machinery	85,399	172,647
Service and other equipment	-	101
Computers	2,062	3,594
Furniture and fixture	159	1,288
Office equipment	1,286	1,910
Vehicles	3,865	3,283
	<u>100,473</u>	<u>260,620</u>
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	191	2,283
Furniture and fixture	148	-
Vehicles	549	3,181
	<u>888</u>	<u>5,464</u>
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	166,964	280,386
Add: Cost of additions during the period/year (Note 7.2.1)	-	27,212
	<u>166,964</u>	<u>307,598</u>
Less : Transferred to owned assets (Note 7.2.2)	3,115	117,277
	<u>163,849</u>	<u>190,321</u>
Less : Depreciation charged during the period / year	11,464	23,357
Closing book value	<u><u>152,385</u></u>	<u><u>166,964</u></u>
<b>7.2.1 Cost of additions</b>		
Plant and machinery	-	27,212
<b>7.2.2 Book value of deletions / transfers</b>		
Plant and machinery	3,115	-
	<u>3,115</u>	<u>-</u>



### 7.3 Capital work-in-progress

	Un-audited 31 March 2012	Audited 30 June 2011
Civil works and buildings	1,083	105
Plant and machinery	33,501	1,643
	<u>34,584</u>	<u>1,748</u>

### 8. LONG TERM INVESTMENTS

During the nine months ended 31 March 2012, Concept Trading (Private) Limited (The wholly owned subsidiary company) was wound up on 13 August 2011 after complying with all regulatory and procedural requirements. The Company held 99.99% of paid up capital of Concept Trading (Private) Limited. Amount received / adjusted on members' voluntary winding up of subsidiary company amounted to Rupees 537.536 million.

Un-audited	
Nine months ended	
31 March 2012	31 March 2011
(Rupees in thousand)	

### 9. CASH GENERATED FROM OPERATIONS

<b>Profit before taxation</b>	159,577	231,023
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	266,592	268,056
Amortization	2,459	-
Finance cost	685,117	783,340
Gain on sale of property, plant and equipment	(520)	(196)
Gain on sale of investments	(6,399)	(1,228)
Loss on remeasurement of investment at fair value through profit or loss	(241)	8
Loss on winding up of subsidiary company	171	-
Loss on remeasurement of assets classified as held for sale	-	33,250
Provision for Worker's Profit Participation Fund	-	15,644
Provision for Worker's Welfare Fund	-	5,368
Dividend income	-	(6,590)
Return on bank deposits	(9,639)	(288)
Working capital changes (Note 9.1)	420,175	848,548
	<u>1,517,292</u>	<u>2,176,935</u>

#### 9.1 Working capital changes

##### (Increase) / decrease in current assets:

Stores, spare parts and loose tools	3,269	(23,299)
Stock-in-trade	(1,605)	757,575
Trade debts	(138,264)	222,877
Advances	(54,867)	(35,772)
Security deposits and short term prepayments	(3,370)	(19,139)
Other receivables	80,216	(52,832)
	<u>(114,621)</u>	849,410

##### Increase / (decrease) in current liabilities:

Trade and other payables	285,724	(862)
Due to subsidiary company	249,072	-
	<u>420,175</u>	<u>848,548</u>



## 10. SEGMENT INFORMATION

## 10.1

Nine months ended

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Total - Company	
	Un-Audited		Un-Audited		Un-Audited		Un-Audited		Un-Audited	
	Nine months ended	31 Mar 11	Nine months ended	31 Mar 11	Nine months ended	31 Mar 11	Nine months ended	31 Mar 11	Nine months ended	31 Mar 11
	31 Mar 12	31 Mar 11	31 Mar 12	31 Mar 11	31 Mar 12	31 Mar 11	31 Mar 12	31 Mar 11	31 Mar 12	31 Mar 11
(Rupees in thousands)										
<b>SALES :</b>										
EXTERNAL INTER SEGMENT	2,813,446	3,330,585	1,954,258	1,772,914	3,160,259	4,583,750	(1,306,125)	-	7,927,963	9,687,249
	446,944	1,127,598	859,181	1,209,615	-	-	(1,306,125)	-	-	-
COST OF SALES	3,260,390	4,458,183	2,813,439	2,982,529	3,160,259	4,583,750	(1,306,125)	(2,337,213)	7,927,963	9,687,249
	(2,773,203)	(3,636,817)	(2,477,906)	(2,571,389)	(2,730,510)	(4,288,587)	1,306,125	2,337,213	(6,675,494)	(8,159,580)
GROSS PROFIT	487,187	821,366	335,533	411,140	429,749	295,163	-	-	1,252,469	1,527,669
DISTRIBUTION COST	(7,400)	(12,332)	(68,525)	(49,745)	(224,943)	(271,427)	-	-	(300,868)	(333,504)
ADMINISTRATIVE EXPENSES	(28,459)	(50,184)	(59,341)	(50,568)	(65,031)	(58,166)	-	-	(152,831)	(158,918)
	(35,859)	(62,516)	(127,866)	(100,313)	(289,974)	(329,593)	-	-	(453,699)	(492,422)
PROFIT (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	451,328	756,850	207,667	310,827	139,775	(34,430)	-	-	798,770	1,035,247
<b>UNALLOCATED INCOME AND EXPENSES</b>										
FINANCE COST									(685,117)	(785,360)
OTHER OPERATING EXPENSES									(1,884)	(54,937)
OTHER OPERATING INCOME									47,805	36,073
TAXATION									(142,924)	(91,000)
PROFIT AFTER TAXATION									(782,117)	(895,224)
<b>Reconciliation of reportable segment assets</b>									16,653	140,023

## 10.2

	Spinning		Weaving		Processing and home textile		Total - Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	31 Mar 12	30 June 11	31 Mar 12	30 June 11	31 Mar 12	30 June 11	31 Mar 12	30 June 11
(Rupees in thousands)								
TOTAL ASSETS FOR REPORTABLE SEGMENTS	3,201,893	2,741,104	2,599,470	2,187,389	4,448,203	2,707,311	10,249,566	7,635,804
UNALLOCATED ASSETS							5,400,560	8,666,861
TOTAL ASSETS AS PER BALANCE SHEET							15,650,126	16,302,665
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,614,704	998,668	1,534,880	1,860,641	4,238,592	4,257,469	7,388,176	7,116,778
UNALLOCATED LIABILITIES							173,164	1,113,754
TOTAL LIABILITIES AS PER BALANCE SHEET							7,561,340	8,230,532



## 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of a subsidiary company, associated undertakings, 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		Un-audited	
	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(..... Rupees in thousand .....)			
<b>Subsidiary company</b>				
Purchase of goods and services	353	413	291	265
Purchase of property, plant and equipment	17	204	17	-
<b>Associated company</b>				
Dividend received	-	6,399	-	-
<b>Other related parties</b>				
Company's contribution to provident fund trust	15,298	15,674	3,129	5,133
Remuneration of Chief Executive Officer, Directors and Executives	80,547	66,293	27,927	21,594

## 12. 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 2011.

## 13. AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on April 25, 2012.

## 14. CORRESPONDING FIGURES


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

## 15. GENERAL

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

Lahore  
April 25, 2012

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 DIRECTOR









**KOHINOOR TEXTILE MILLS LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION**

**FOR THE NINE MONTHS ENDED  
31 MARCH 2012**







## 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 nine months ended March 31, 2012. Kohinoor Textile Mills Limited (Holding Company) holds 64.62% shares of Maple Leaf Cement Factory Limited (Subsidiary Company).

The Group recorded after-tax profit of Rupees 705.532 million as compared to after-tax loss of Rupees 1,425.407 million during the corresponding period. The consolidated profit of the Holding Company and its share in its Subsidiary for the period is Rupees 624.228 million as compared to consolidated loss of Rupees 898.431 million for the corresponding period.

The Subsidiary suffered after-tax loss of Rupees 220.712 million as compared to after-tax loss of Rupees 1,565.412 million for the corresponding period.

For and on behalf of the Board



**Taufique Sayeed Saigol**  
Chief Executive Officer

Lahore  
April 25, 2012



# Consolidated Condensed Interim Balance Sheet

As at 31 March 2012

	Note	Un-audited 31 March 2012	Audited 30 June 2011
<b>(Rupees in thousand)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2011 : 370,000,000)		<b>3,700,000</b>	3,700,000
30,000,000 (30 June 2011 : 30,000,000) preference shares of Rupees 10 each		<b>300,000</b>	300,000
		<b>4,000,000</b>	4,000,000
<b>Issued, subscribed and paid up share capital</b>		<b>2,455,262</b>	2,455,262
245,526,216 (30 June 2011: 245,526,216) ordinary shares of Rupees 10 each.			
<b>Reserves</b>		<b>880,952</b>	659,690
<b>Equity attributable to equity holders of the Holding Company</b>		<b>3,336,214</b>	3,114,952
<b>Non controlling interest</b>		<b>1,046,990</b>	1,046,234
<b>Total equity</b>		<b>4,383,204</b>	4,161,186
<b>Surplus on revaluation of property, plant and equipment and investment properties</b>		<b>9,046,457</b>	9,233,617
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	<b>4,553,302</b>	5,372,895
Redeemable capital		<b>7,383,000</b>	7,983,000
Liabilities against assets subject to finance lease		<b>368,898</b>	507,209
Long term deposits		<b>5,919</b>	5,569
Employees' compensated absences		<b>21,874</b>	19,149
Deferred income tax		<b>2,161,235</b>	2,414,958
		<b>14,494,228</b>	16,302,780
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>4,628,407</b>	4,757,981
Accrued mark-up		<b>1,138,542</b>	1,021,299
Short term borrowings		<b>7,991,039</b>	9,214,931
Current portion of non-current liabilities		<b>3,110,091</b>	1,988,378
		<b>16,868,079</b>	16,982,589
<b>TOTAL LIABILITIES</b>		<b>31,362,307</b>	33,285,369
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,791,968</b>	46,680,172

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

Lahore  
April 25, 2012

  
CHIEF EXECUTIVE OFFICER



	Note	Un-audited 31 March 2012	Audited 30 June 2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	33,717,554	34,950,932
Intangible assets		18,099	27,154
Investment properties		1,721,714	1,721,714
Long term Investments		3,037	-
Long term loans to employees		2,426	2,531
Long term deposits and prepayments		107,417	87,794
		<b>35,570,247</b>	<b>36,790,125</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		3,216,680	3,361,339
Stock -in- trade		2,353,800	2,196,336
Trade debts		1,633,326	1,267,503
Loans and advances		499,763	386,392
Security deposits and short term prepayments		93,390	140,941
Accrued interest		256	936
Other receivables		478,392	547,892
Short term investments		19,846	942,941
Taxation recoverable		322,557	336,291
Cash and bank balances		603,711	709,476
		<b>9,221,721</b>	<b>9,890,047</b>
<b>TOTAL ASSETS</b>		<b>44,791,968</b>	<b>46,680,172</b>


  
 DIRECTOR


# Consolidated Condensed Interim Profit and Loss Account (Un-Audited)

For the nine months ended 31 March 2012

	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
..... (Rupees in thousand) .....				
SALES	19,041,106	19,253,279	6,922,668	6,474,721
COST OF SALES	(15,021,915)	(16,220,724)	(5,231,514)	(5,428,256)
GROSS PROFIT	4,019,191	3,032,555	1,691,154	1,046,465
DISTRIBUTION COST	(925,108)	(1,570,458)	(297,775)	(553,175)
ADMINISTRATIVE EXPENSES	(344,907)	(302,290)	(139,458)	(110,248)
OTHER OPERATING EXPENSES	(384,317)	(143,665)	(345,378)	(75,801)
	(1,654,332)	(2,016,413)	(782,611)	(739,224)
	2,364,859	1,016,142	908,543	307,241
OTHER OPERATING INCOME	968,884	58,109	15,534	19,648
PROFIT FROM OPERATIONS	3,333,743	1,074,251	924,077	326,889
FINANCE COST	(2,451,945)	(2,390,401)	(768,481)	(790,094)
PROFIT / (LOSS) BEFORE TAXATION	881,798	(1,316,150)	155,596	(463,205)
TAXATION	(176,266)	(109,257)	(72,515)	(37,565)
PROFIT / (LOSS) AFTER TAXATION	705,532	(1,425,407)	83,081	(500,770)
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	624,228	(898,431)	73,926	(426,277)
NON CONTROLLING INTEREST				
DIVIDEND ON PREFERENCE SHARES	39,221	39,595	12,876	13,199
SHARE IN PROFIT / (LOSS) FOR THE PERIOD	42,083	(566,571)	(3,721)	(87,692)
	81,304	(526,976)	9,155	(74,493)
PROFIT / (LOSS) AFTER TAXATION AND NON CONTROLLING INTEREST	705,532	(1,425,407)	83,081	(500,770)
EARNING / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	2.87	(4.19)	0.34	(1.99)

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

Lahore  
April 25, 2012

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

# Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months ended 31 March 2012



	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
..... (Rupees in thousand) .....				
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>705,532</b>	(1,425,407)	<b>83,081</b>	(500,770)
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Surplus on remeasurement of available for sale investments	-	207,080	-	260,869
Reclassification adjustment for gain/ loss included in profit and loss	<b>(670,674)</b>		-	
Deferred income tax on remeasurement of available for sale investments	-	(54,359)	-	(68,478)
Other comprehensive income / (loss) for the period - net of tax	<b>(670,674)</b>	152,721	-	192,391
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>34,858</b>	(1,272,686)	<b>83,081</b>	(308,379)
<b>Share of total comprehensive income/ (loss) attributable to:</b>				
Equity holders of Holding Company	<b>100,301</b>	(768,171)	<b>73,926</b>	(143,025)
Non controlling interest	<b>(65,443)</b>	(504,515)	<b>9,155</b>	(165,354)
	<b>34,858</b>	(1,272,686)	<b>83,081</b>	(308,379)

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

Lahore  
April 25, 2012

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR





# Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the nine months ended 31 March 2012

Note	Nine months ended	
	31 March 2012	31 March 2011
(Rupees in thousand)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	8 3,420,895	2,990,275
Finance cost paid	(2,334,702)	(1,286,556)
Workers' Profit Participation Fund paid	-	(14,520)
Compensated absences paid	(13,722)	(7,429)
Income tax paid	(177,537)	(137,352)
Net (increase) / decrease in long term deposits	(19,623)	17,629
<b>Net cash generated from operating activities</b>	<b>875,311</b>	<b>1,562,047</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(271,609)	(625,484)
Long term loans to employees	105	1,451
Investment made	(2,837)	(172)
Interest received	16,327	4,063
Proceeds from sale of property, plant and equipment	2,055	2,005
Proceeds from disposal of investments	934,667	9,004
Proceed from sale of land classified as held for sale	-	120,000
Advance against purchase of land received back	-	100,000
Dividend received	-	11,160
<b>Net cash generated from/ (used in) investing activities</b>	<b>678,708</b>	<b>(377,973)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from long term financing - secured	200,000	-
Short term borrowings (net)	(1,223,892)	(477,905)
Repayment of long term financing - secured	(594,774)	(630,496)
Repayment of redeemable capital	(5,100)	(5,100)
Repayment of liabilities against assets subject to finance lease	(36,317)	(55,762)
Long term deposits from stockists - net	350	-
Dividend paid	(51)	-
<b>Net cash used in financing activities</b>	<b>(1,659,784)</b>	<b>(1,169,263)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(105,765)</b>	<b>14,811</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>709,476</b>	<b>152,453</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>603,711</b>	<b>167,264</b>

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

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

## For the nine months ended 31 March 2012

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										NON CONTROLLING INTEREST	TOTAL EQUITY
	RESERVES											
	CAPITAL RESERVES			REVENUE RESERVES				TOTAL				
	Share premium	Fair value reserve	Sub Total	General Reserve	Accumulated loss	Sub Total	Total Reserves					
<b>Balance as at 30 June 2010 - (Audited)</b>	144,919	628,077	772,996	1,450,491	(760,559)	689,932	1,462,928	2,918,190	2,405,263	5,323,453		
Ordinary shares issued other than through a right issue	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Issue of ordinary shares to non-controlling interest holders	-	-	-	-	-	-	-	-	-	-	290	290
Total comprehensive income/ (loss) for the nine months ended 31 March 2011	-	130,260	130,260	-	(898,431)	(898,431)	(768,171)	(768,171)	(504,515)	(1,272,686)		
Surplus on revaluation of property, plant and equipment realized through incremental depreciation	-	-	-	-	45,675	45,675	45,675	45,675	24,920	70,595		
<b>Balance as at 31 March 2011</b>	144,919	758,337	903,256	1,450,491	(1,613,315)	(162,824)	740,432	3,195,694	1,925,958	5,121,652		
Transferred from surplus on revaluation of property, plant and equipment (net of tax)	-	-	-	-	89,643	89,643	89,643	89,643	49,059	138,702		
Reversal of surplus on revaluation of disposal of property, plant and equipment (net of tax)	-	-	-	-	7,463	7,463	7,463	7,463	4,085	11,548		
Total comprehensive loss for the period ended 30 June 2011	-	(234,410)	(234,410)	-	(521,453)	(521,453)	(755,863)	(755,863)	(354,853)	(1,110,716)		
Increase in interest of equity holders of the Holding Company	-	-	-	-	578,015	578,015	578,015	578,015	(578,015)	-		
<b>Balance as at 30 June 2011 - (Audited)</b>	144,919	523,927	668,846	1,450,491	(1,459,647)	(9,156)	659,690	3,114,952	1,046,234	4,161,186		
Transferred from surplus on revaluation of property, plant and equipment (net of tax)	-	-	-	-	120,961	120,961	120,961	120,961	66,199	187,160		
Total comprehensive income/ (loss) for the nine months ended 31 March 2012	-	(523,927)	(523,927)	-	624,228	624,228	100,301	100,301	(65,443)	34,858		
<b>Balance as at 31 March 2012</b>	144,919	-	144,919	1,450,491	(714,458)	736,033	880,952	3,336,214	1,046,990	4,383,204		

(Rupees in thousand)

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

Lahore  
April 25, 2012

CHIEF EXECUTIVE OFFICER

*[Signature]*  
DIRECTOR

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

## For the nine months ended 31 March 2012

### 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 64.62% (2011: 64.63%) 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 2011.

### 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 2011.

### 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 2011.

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Opening balance	6,379,805	5,401,463
Add: Obtained during the period/ year	200,000	1,750,290
	6,579,805	7,151,753
Less: Repayments during the period/ year	594,774	771,948
	5,985,031	6,379,805
Less: Current portion shown under current liabilities	1,439,206	1,014,387
	4,545,825	5,365,418
<b>Unsecured</b>	<b>7,477</b>	<b>7,477</b>
	4,553,302	5,372,895

## 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 2011 except for the following:

- 6.1.1** Guarantees issued by banks in respect of financial and operational obligations of the Group amounting to Rupees 649.087 million (30 June 2011: Rupees 647.487 million ).
- 6.1.2** The Subsidiary had filed a petition in the The Lahore High Court against the fuel price adjustment charged by FESCO amounting to Rs. 70 million in the electricity bills of October 2011 and November 2011. The Lahore High Court had initially granted a stay on such payment but subsequently on the request of FESCO vacated such stay and instructed the Subsidiary to pay such amount in three equal installments out of which the first installment has been paid on 31 January 2012.

Thereafter the Subsidiary has preferred an appeal to the Supreme Court of Pakistan based on which the Supreme Court has referred the case to The Lahore High Court. The matter is pending in the Lahore High Court but the management believes that the case will be decided in the favour of the Subsidiary.

- 6.1.3** The Subsidiary has also filed a writ petition in the The Islamabad High Court, Islamabad against the fuel price adjustment charged by FESCO amounting to Rs. 64 million in the electricity bills of August 2011. The Islamabad High Court, Islamabad has granted stay on levy of this FPA on March 21, 2012.

### 6.2 Commitments in respect of :

- (i) Contracts for capital expenditure are Rupees 199.294 million (30 June 2011 : Rupees 235.014 million)
- (ii) Letters of credit other than for capital expenditure amount to Rupees 377.852 million (30 June 2011: Rupees 86.583 million).



	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets :		
Owned (Note 7.1)	32,725,574	30,192,678
Leased (Note 7.2)	917,819	962,220
Capital work-in-progress (Note 7.3)	74,161	3,796,034
	<u>33,717,554</u>	<u>34,950,932</u>
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	30,192,678	23,133,737
Add: Cost of additions/ transfers during the period / year (Note 7.1.1)	3,993,465	315,250
Add: Transferred from leased assets (Note 7.2.2)	3,115	117,277
Add: Transferred from non-current assets classified as held for sale during the period / year	-	399,673
Add: Surplus on revaluation of freehold land during the period / year	-	7,885,493
	<u>34,189,258</u>	<u>31,851,430</u>
Less: Book value of deletions during the period / year (7.1.2)	1,150	108,569
	<u>34,188,108</u>	<u>31,742,861</u>
Less: Depreciation charged during the period / year	1,462,534	1,550,183
	<u>32,725,574</u>	<u>30,192,678</u>
<b>7.1.1 Cost of additions</b>		
Buildings	429,608	78,385
Plant and machinery	3,533,084	209,200
Service and other equipment	-	101
Computers	2,062	3,594
Furniture and fixture	6,607	4,985
Office equipment	1,269	1,910
Vehicles	12,019	17,074
Quarry equipment	8,816	-
Share of joint assets	-	1
	<u>3,993,465</u>	<u>315,250</u>

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	191	105,013
Service and other equipment	148	-
Vehicles	811	3,556
	<u>1,150</u>	<u>108,569</u>
<b>7.2 Operating fixed assets - Leased</b>		
Opening book value	962,220	1,113,114
Add : Cost of additions during the period / year (Note 7.2.1)	-	27,212
	<u>962,220</u>	<u>1,140,326</u>
Less : Transferred to owned assets (Note 7.2.2)	3,115	117,277
	<u>959,105</u>	<u>1,023,049</u>
Less : Depreciation charged during the period / year	41,286	60,829
Closing book value	<u>917,819</u>	<u>962,220</u>
<b>7.2.1 Cost of additions</b>		
Plant and machinery	-	27,212
<b>7.2.2 Book value of deletions/ transfers</b>		
Plant and machinery	3,115	-
	<u>3,115</u>	<u>-</u>
<b>7.3 Capital work-in-progress</b>		
Civil works and buildings	-	105
Plant and machinery	58,578	3,203,712
Un-allocated capital expenditure	1,001	477,163
Advances to suppliers against:		
- purchase of land	2,000	2,000
- civil works	1,505	3,505
- buildings	1,083	3,505
- plant and machinery	9,737	104,999
- vehicles	257	4,550
	<u>74,161</u>	<u>3,796,034</u>



Un-Audited Nine months ended	
31 March 2012	31 March 2011
(Rupees in thousand)	

## 8. CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation	881,798	(1,316,150)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,503,820	1,138,689
Amortization of intangible assets	9,055	8,268
Finance cost	2,451,945	2,388,381
Provision for doubtful debts	31,797	-
Employees' compensated absences	16,462	6,086
Gain on sale of property, plant and equipment	(904)	(499)
Gain on remeasurement of investment	(747)	(1,104)
Loss on remeasurement of assets classified as held for sale	-	33,250
Loss on winding up of subsidiary	142	-
Gain on sale of investment	(920,360)	(1,228)
Dividend income	-	(11,160)
Return on bank deposits	(15,647)	(3,439)
Working capital changes (Note 8.1)	(536,466)	749,181
	<b>3,420,895</b>	<b>2,990,275</b>

### 8.1 Working capital changes

#### (Increase)/ decrease in current assets

Stores, spare parts and loose tools	144,659	(506,315)
Stock-in-trade	(157,464)	924,246
Trade debts	(397,620)	147,986
Loans and advances	(113,371)	(60,323)
Security deposits and short term prepayments	47,551	(49,248)
Due from gratuity fund trust	-	(344)
Other receivables	133,168	(138,543)
	<b>(343,077)</b>	<b>317,459</b>

#### Increase / (decrease) in current liabilities

Trade and other payables	(193,389)	431,722
	<b>(536,466)</b>	<b>749,181</b>





## 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 Nine months ended		Un-audited Quarter ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

(..... Rupees in thousand .....)

### Associated company

Dividend income	-	10,969	-	-
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### Other related parties

Group's contribution to employee's benefits	22,553	15,674	3,129	5,133
Remuneration paid to Chief Executive Officers, Directors and Executives	150,144	124,871	86,505	41,286

## 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 2011.

## 12. AUTHORIZATION

This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Company on April 25, 2012.

## 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.

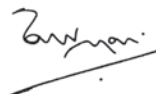
## 14. GENERAL

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

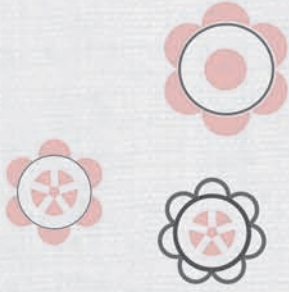
Lahore  
April 25, 2012



CHIEF EXECUTIVE OFFICER



DIRECTOR



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