

Third Quarterly Report
March 31, 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
MCB BANK LIMITED
MEEZAN BANK LIMITED

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

MILLS

- PESHAWAR ROAD, RAWALPINDI
TEL: (92-051) 5495328-32, 5495301-303
FAX: (92-051) 5495356
- 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
WEBSITE: www.kmlg.com

Note: KTMML's financial statements are also available at the above website.

Directors' Review

The Directors present unaudited accounts of the Company for the nine months ended March 31, 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. 533 million compared to profit after tax of Rs.17 million during the corresponding period last year.

Sales turnover for the period amounted to Rs.10,401 million, a substantial increase of 31.20% over the same period last year. The Company earned gross profit of Rs.1,762 million (16.94%) relative to gross profit of Rs.1,252 million (15.80%) during the corresponding period last year. Operating profit for the period before adjustment for financial charges amounted to Rs.1,264 million for the period, against Rs. 845 million in the previous year.

The performance of the Company's Spinning divisions during the third quarter showed an improvement over the second quarter as this was the main production period for lawn and voile fabrics. Spinning results would have been even better had the supply of energy been smoother. The demand for finer yarns will start to decrease in the fourth quarter as this period usually witnesses reduced weaving of grey lawn and voiles. Demand is expected to pick up again in the first quarter of the next financial year. Spinning sector results for the fourth quarter will be negatively impacted due to declining yarn rates, acute energy shortages and higher prices for long staple cottons. The supply of extra long staple cotton is tight worldwide and will result in higher raw material costs. Expected slow down due to elections and energy related issues are expected to impact results adversely. The Company continues to follow conservative raw material procurement policies.

Results of the weaving division were also negatively affected due to complete shutdown of both electricity and gas supply simultaneously over extended periods. These energy shortages continue to remain serious. The Company is making stringent efforts to reduce energy consumption and consider alternative sources.

Processing and Cut & Sew operations suffered due to high yarn prices resulting in expensive procurement of greige fabric. The fourth quarter results in this division are expected to improve as there has been a downward correction in grey cloth prices due to lower yarn rates. Continuous efforts are underway to reduce wastage and increase efficiency in this division.

Energy supply situation is critical and it is sincerely hoped that some improvement will be seen after the elections.

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

April 25, 2013



Unconsolidated Condensed Interim Balance Sheet

As at 31 March 2013

Note	Un-audited 31 March 2013	Audited 30 June 2012
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
370,000,000 (30 June 2012 : 370,000,000) ordinary shares of Rupees 10 each	3,700,000	3,700,000
30,000,000 (30 June 2012 : 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 2012 : 245,526,216) ordinary shares of Rupees 10 each	2,455,262	2,455,262
Reserves	2,592,236	2,059,475
Total equity	5,047,498	4,514,737
Surplus on revaluation of land and investment properties	3,673,825	3,673,825
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	116,437	519,135
Liabilities against assets subject to finance lease	-	20,501
Deferred income tax liability	291,070	140,175
	407,507	679,811
CURRENT LIABILITIES		
Trade and other payables	1,126,169	1,161,892
Accrued mark-up	133,305	185,698
Short term borrowings	4,421,756	4,364,111
Current portion of non-current liabilities	573,709	617,856
	6,254,939	6,329,557
Total liabilities	6,662,446	7,009,368
CONTINGENCIES AND COMMITMENTS		
	6	
TOTAL EQUITY AND LIABILITIES	15,383,769	15,197,930

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2013	Audited 30 June 2012
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,967,783	6,161,381
Intangible asset		3,826	6,284
Investment properties		1,728,886	1,728,886
Long term investment		3,248,680	3,248,680
Long term deposits		40,499	50,515
		10,989,674	11,195,746
CURRENT ASSETS			
Stores, spare parts and loose tools		368,928	320,486
Stock-in-trade		2,016,732	1,529,949
Trade debts		904,342	986,683
Advances		335,358	312,406
Security deposits and short term prepayments		33,609	25,909
Accrued interest		198	217
Other receivables		305,601	308,494
Short term investments		952	611
Taxation recoverable		139,010	131,926
Cash and bank balances		289,365	385,503
		4,394,095	4,002,184
TOTAL ASSETS		15,383,769	15,197,930



 DIRECTOR



Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited) For the nine months ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
 (Rupees in thousand)			
SALES	10,401,445	7,927,963	3,351,327	2,830,267
COST OF SALES	(8,639,563)	(6,675,494)	(2,795,969)	(2,322,937)
GROSS PROFIT	1,761,882	1,252,469	555,358	507,330
DISTRIBUTION COST	(310,907)	(300,868)	(108,439)	(103,247)
ADMINISTRATIVE EXPENSES	(185,350)	(152,831)	(62,149)	(56,480)
OTHER OPERATING EXPENSES	(43,966)	(1,881)	(15,545)	(291)
	(540,223)	(455,580)	(186,133)	(160,018)
OTHER OPERATING INCOME	1,221,659	796,889	369,225	347,312
	42,156	47,805	13,227	13,530
PROFIT FROM OPERATIONS	1,263,815	844,694	382,452	360,842
FINANCE COST	(505,251)	(685,117)	(154,944)	(222,538)
PROFIT BEFORE TAXATION	758,564	159,577	227,508	138,304
TAXATION				
- Current	(74,908)	(79,331)	(23,191)	(28,327)
- Deferred	(150,895)	(63,593)	(61,584)	(29,250)
	(225,803)	(142,924)	(84,775)	(57,577)
PROFIT AFTER TAXATION	532,761	16,653	142,733	80,727
EARNINGS PER SHARE				
- BASIC AND DILUTED (RUPEES)	2.17	0.07	0.58	0.33

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Unconsolidated Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-Audited)


For the nine months ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
 (Rupees in thousand)			
PROFIT AFTER TAXATION	532,761	16,653	142,733	80,727
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	532,761	16,653	142,733	80,727

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 nine months ended 31 March 2013

	Note	31 March 2013	31 March 2012
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	972,866	1,517,292
Finance cost paid		(557,644)	(708,708)
Income tax paid		(81,993)	(80,228)
Net decrease / (increase) in long term deposits		10,016	(18,632)
Net cash generated from operating activities		343,245	709,724
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(53,665)	(133,309)
Interest received		18,659	9,685
Proceeds from sale of property, plant and equipment		5,580	1,408
Proceeds from disposal of investments		-	543,905
Net cash (used in) / from investing activities		(29,426)	421,689
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		57,645	(800,531)
Repayment of long term financing		(443,624)	(349,914)
Repayment of liabilities against assets subject to finance lease		(23,722)	(29,828)
Dividend paid		(256)	(50)
Net cash used in financing activities		(409,957)	(1,180,323)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(96,138)	(48,910)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		385,503	420,996
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		289,365	372,086

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 nine months ended 31 March 2013

	Reserves					Total Equity	
	Share Capital	Capital Reserves		Revenue Reserves			Total
		Share Premium	General Reserve	Unappropriated profit	Sub Total		
Balance as at 30 June 2011 - audited	2,455,262	144,919	1,450,491	335,964	1,786,455	4,386,636	
Profit after taxation for the nine months ended 31 March 2012	-	-	-	16,653	16,653	16,653	
Other comprehensive income for the period	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	16,653	16,653	16,653	
Balance as at 31 March 2012 - un-audited	2,455,262	144,919	1,450,491	352,617	1,803,108	4,403,289	
Surplus on revaluation realised on disposal of land	-	-	-	11,672	11,672	11,672	
Profit after taxation for the quarter ended 31 March 2012	-	-	-	99,776	99,776	99,776	
Other comprehensive income for the period	-	-	-	-	-	-	
Total comprehensive income for the quarter ended 31 March 2012	-	-	-	99,776	99,776	99,776	
Balance as at 30 June 2012 - audited	2,455,262	144,919	1,450,491	464,065	1,914,556	4,514,737	
Profit after taxation for the nine months ended 31 March 2013	-	-	-	532,761	532,761	532,761	
Other comprehensive income for the period	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	532,761	532,761	532,761	
Balance as at 31 March 2013 - un-audited	2,455,262	144,919	1,450,491	996,826	2,447,317	5,047,498	

(Rupees in thousand)

Balance as at 30 June 2011 - audited

Profit after taxation for the nine months ended 31 March 2012
Other comprehensive income for the period

Total comprehensive income for the nine months ended 31 March 2013

Balance as at 31 March 2012 - un-audited

Surplus on revaluation realised on disposal of land

Profit after taxation for the quarter ended 31 March 2012
Other comprehensive income for the period

Total comprehensive income for the quarter ended 31 March 2012

Balance as at 30 June 2012 - audited

Profit after taxation for the nine months ended 31 March 2013
Other comprehensive income for the period

Total comprehensive income for the nine months ended 31 March 2013

Balance as at 31 March 2013 - un-audited

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 nine months ended 31 March 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 the 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 2013 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 2012.

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 2012.

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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
5. LONG TERM FINANCING		
Secured		
Opening balance	1,101,403	1,875,947
Less: Repayments during the period / year	438,830	774,544
	662,573	1,101,403
Less: Current portion shown under current liabilities	546,136	587,062
	116,437	514,341
Unsecured	-	4,794
	116,437	519,135

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 2012 except following:

- Guarantees issued by banks in respect of financial and operational obligations of the Company amounting to Rupees 241.181 million (30 June 2012 : Rupees 243.391 million).

6.2 Commitments

Commitments in respect of letters of credit other than for capital expenditure amounting to Rupees 340.068 million (30 June 2012: Rupees 185.585 million).

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
Owned (Note 7.1)	5,827,740	6,008,509
Leased (Note 7.2)	134,551	144,287
Capital work-in-progress:		
Plant and machinery	5,492	8,585
	5,967,783	6,161,381
7.1 Operating fixed assets - Owned		
Opening book value	6,008,509	6,578,979
Add : Cost of additions during the period / year (Note 7.1.1)	56,759	166,471
Add: Transferred from leased assets (Note 7.2)	-	8,195
	6,065,268	6,753,645
Less : Book value of deletions during the period / year (Note 7.1.2)	1,418	412,373
	6,063,850	6,341,272
Less : Depreciation charged during the period / year	236,110	332,763
Closing book value	5,827,740	6,008,509



	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
7.1.1 Cost of additions		
Buildings	1,852	4,392
Plant and machinery	45,724	138,351
Services and other equipment	-	11,687
Computer and IT installations	3,306	2,408
Furniture and equipment	267	215
Office equipment	2,047	1,698
Vehicles	3,563	7,720
	56,759	166,471
7.1.2 Book value of deletions		
Freehold land	-	411,345
Plant and machinery	922	194
Computer and IT installations	78	229
Furniture and equipment	-	17
Office equipment	-	30
Vehicles	418	558
	1,418	412,373
7.2 Operating fixed assets - Leased		
Opening book value	144,287	166,964
Less : Transferred to owned assets (Note 7.1)	-	8,195
	144,287	158,769
Less : Depreciation charged during the period / year	9,736	14,482
Closing book value	134,551	144,287

Un-audited

Nine months ended

31 March 2013	31 March 2012
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(Rupees in thousand)

8. CASH GENERATED FROM OPERATIONS

Profit before taxation	758,564	159,577
Adjustments for non-cash charges and other items:		
Depreciation	245,846	266,592
Amortization	2,458	2,459
Finance cost	505,251	685,117
Gain on sale of property, plant and equipment	(4,162)	(520)
Gain on sale of investments	-	(6,399)
Gain on remeasurement of investment at fair value through profit or loss	(341)	(241)
Loss on winding up of subsidiary company	-	171
Unclaimed balance written back	(63)	-
Provision for doubtful debts	43	-
Return on bank deposits	(18,640)	(9,639)
Working capital changes (Note 8.1)	(516,090)	420,175
	972,866	1,517,292

8.1 Working capital changes**(Increase) / decrease in current assets:**

Stores, spare parts and loose tools	(48,442)	3,269
Stock-in-trade	(486,783)	(1,605)
Trade debts	82,298	(138,264)
Advances	(22,889)	(54,867)
Security deposits and short term prepayments	(7,700)	(3,370)
Other receivables	2,893	80,216

(480,623) (114,621)**(Decrease) / increase in current liabilities:**

Trade and other payables	(35,467)	534,796
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(516,090) 420,175

9. SEGMENT INFORMATION

9.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transactions		Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 March 13	31 March 12	31 March 13	31 March 12	31 March 13	31 March 12	31 March 13	31 March 12	31 March 13	31 March 12
SALES :										
EXTERNAL INTER-SEGMENT	4,523,768	2,813,446	2,129,342	1,054,268	3,739,335	3,160,259	-	-	10,401,445	7,927,963
	308,568	446,944	423,956	659,181	2,639	-	(735,143)	(1,306,125)	-	-
COST OF SALES	4,841,316	3,260,390	2,553,298	2,813,439	3,741,974	3,160,259	(735,143)	(1,306,125)	10,401,445	7,927,963
	(3,812,752)	(2,773,203)	(2,266,736)	(2,477,906)	(3,297,218)	(2,730,510)	735,143	1,306,125	(8,639,563)	(6,675,494)
GROSS PROFIT	1,028,564	487,187	288,562	335,533	444,756	429,749	-	-	1,761,882	1,252,469
DISTRIBUTION COST	(10,625)	(7,400)	(60,065)	(68,525)	(240,217)	(224,943)	-	-	(310,907)	(300,868)
ADMINISTRATIVE EXPENSES	(53,103)	(28,459)	(62,990)	(59,341)	(69,257)	(65,031)	-	-	(185,350)	(152,831)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(63,728)	(35,859)	(123,055)	(127,866)	(309,474)	(289,974)	-	-	(496,257)	(453,699)
	964,836	451,328	1,65,507	207,667	1,35,282	1,39,775	-	-	1,265,625	798,770
UNALLOCATED INCOME AND EXPENSES										
FINANCE COST										
OTHER OPERATING EXPENSES										
OTHER OPERATING INCOME										
TAXATION										
PROFIT AFTER TAXATION										
	(505,251)	(685,117)	(43,946)	(43,946)	(496,257)	(185,350)	-	-	(1,265,625)	(982,117)
	(732,864)	(822,803)	(225,803)	(142,924)	(732,864)	(532,761)	-	-	(1,265,625)	(982,117)

(Rupees in thousands)

(Rupees in thousands)

9.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing and home textile		Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 March 13	30 June 12	31 March 13	30 June 12	31 March 13	30 June 12	31 March 13	30 June 12
TOTAL ASSETS FOR REPORTABLE SEGMENT	3,256,884	3,130,758	2,273,415	2,289,887	4,441,460	2,303,430	9,971,759	7,724,075
UNALLOCATED ASSETS							5,412,010	7,473,855
TOTAL ASSETS AS PER BALANCE SHEET							15,383,769	15,197,930
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,352,084	1,040,800	1,417,365	1,428,051	2,475,758	3,090,847	5,245,207	5,559,698
UNALLOCATED LIABILITIES							1,417,239	1,449,670
TOTAL LIABILITIES AS PER BALANCE SHEET							6,662,446	7,009,368

10. 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 Nine months ended		Un-audited Quarter ended	
31 March 2013	31 March 2012	31 March 2013	31 March 2012

(..... Rupees in thousand))

Subsidiary company

Purchase of goods and services	398	353	226	291
Purchase of property, plant and equipment	-	17	-	17

Other related parties

Company's contribution to provident fund trust	20,963	15,298	8,472	3,129
Remuneration of Chief Executive Officer, Directors and Executives	84,641	80,547	31,341	27,927

Un-audited **Audited**
31 March **30 June**
2013 **2012**
(Rupees in thousand)

Period end balance

Due to subsidiary company		85,526	131,128
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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 2012.



12. AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorised for issue on 25 April 2013.

13. CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures has 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 NINE MONTHS ENDED
31 MARCH 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 nine months ended March 31, 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 2,916 million as compared to after-tax profit of Rupees 706 million during the corresponding period.

The subsidiary earned after-tax profit of Rupees 2,197 million as compared to after-tax loss of Rupees 221 million for the corresponding period.

For and on behalf of the Board



Taufique Sayeed Saigol
Chief Executive

Lahore
April 25, 2013



Consolidated Condensed Interim Balance Sheet

As at 31 March 2013

	Note	Un-audited 31 March 2013	Audited 30 June 2012
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2012 : 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2012 : 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 2012: 245,526,216) ordinary shares of Rupees 10 each.		2,455,262	2,455,262
Reserves		3,010,206	1,483,031
Equity attributable to equity holders of the Holding Company		5,465,468	3,938,293
Non-controlling interest		2,017,129	1,335,388
Total equity		7,482,597	5,273,681
Surplus on revaluation of land and investment properties		4,044,540	4,044,540
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	3,110,993	4,023,234
Redeemable capital		6,583,000	7,183,000
Liabilities against assets subject to finance lease		862,806	263,126
Long term deposits		7,029	6,219
Retirement benefits		49,330	50,926
Deferred income tax liability		291,070	140,175
		10,904,228	11,666,680
CURRENT LIABILITIES			
Trade and other payables		4,489,799	4,579,005
Accrued mark-up		491,436	943,532
Short term borrowings		7,918,136	7,613,495
Current portion of non-current liabilities		2,429,504	3,487,820
		15,328,875	16,623,852
Total liabilities		26,233,103	28,290,532
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		37,760,240	37,608,753

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	24,977,081	25,998,384
Intangible assets		6,681	15,081
Investment properties		1,728,886	1,728,886
Long term Investments		3,037	3037
Long term loans to employees		1,821	2,387
Long term deposits		94,955	103,865
		26,812,461	27,851,640
CURRENT ASSETS			
Stores, spare parts and loose tools		4,193,306	3,422,429
Stock -in- trade		2,826,225	2,433,344
Trade debts		1,577,265	1,562,614
Loans and advances		521,935	493,574
Security deposits and short term prepayments		112,498	144,562
Accrued interest		573	1,408
Other receivables		400,758	373,246
Short term investments		15,838	33,733
Taxation recoverable		522,739	443,474
Cash and bank balances		776,642	848,729
		10,947,779	9,757,113
TOTAL ASSETS		37,760,240	37,608,753



 DIRECTOR



Consolidated Condensed Interim Profit and Loss Account (Un-Audited) For the nine months ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
..... (Rupees in thousand)				
SALES	23,105,882	19,041,106	7,880,898	6,922,668
COST OF SALES	(16,795,177)	(15,021,915)	(5,698,439)	(5,231,514)
GROSS PROFIT	6,310,705	4,019,191	2,182,459	1,691,154
DISTRIBUTION COST	(883,657)	(925,108)	(297,675)	(297,775)
ADMINISTRATIVE EXPENSES	(369,760)	(344,907)	(131,259)	(139,458)
OTHER OPERATING EXPENSES	(146,845)	(384,317)	(62,016)	(345,378)
	(1,400,262)	(1,654,332)	(490,950)	(782,611)
	4,910,443	2,364,859	1,691,509	908,543
OTHER OPERATING INCOME	59,911	968,884	20,977	15,534
PROFIT FROM OPERATIONS	4,970,354	3,333,743	1,712,486	924,077
FINANCE COST	(1,825,885)	(2,451,945)	(554,748)	(768,481)
PROFIT BEFORE TAXATION	3,144,469	881,798	1,157,738	155,596
TAXATION				
- Current	(78,004)	(191,271)	(45,990)	(72,515)
- Deferred	(150,895)	15,005	(61,584)	-
	(228,899)	(176,266)	(107,574)	(72,515)
PROFIT AFTER TAXATION	2,915,570	705,532	1,050,164	83,081
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO :				
EQUITY HOLDERS OF				
HOLDING COMPANY	2,068,800	624,228	728,026	73,926
NON CONTROLLING INTEREST				
DIVIDEND ON PREFERENCE SHARES	1,353	39,221	-	12,876
SHARE IN PROFIT / (LOSS) FOR THE PERIOD	845,417	42,083	322,138	(3,721)
	846,770	81,304	322,138	9,155
	2,915,570	705,532	1,050,164	83,081
EARNING PER SHARE				
- BASIC AND DILUTED (RUPEES)	8.43	2.54	2.97	0.30

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 nine months ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
 (Rupees in thousand)			
PROFIT AFTER TAXATION	2,915,570	705,532	1,050,164	83,081
OTHER COMPREHENSIVE INCOME / (LOSS)				
Surplus on remeasurement of available for sale investments	-	-	-	-
Reclassification adjustment for gain/ loss included in profit and loss	-	(670,674)	-	-
Deferred income tax on remeasurement of available for sale investments	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	-	(670,674)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,915,570	34,858	1,050,164	83,081
Share of total comprehensive income/ (loss) attributable to :				
Equity holders of Holding Company	2,068,800	100,301	728,026	73,926
Non-controlling interest	846,770	(65,443)	322,138	9,155
	2,915,570	34,858	1,050,164	83,081

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 nine months ended 31 March 2013

	Note	31 March 2013 (Rupees in thousand)	31 March 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	4,416,917	3,420,895
Finance cost paid		(2,234,957)	(2,334,702)
Compensated absences paid		(12,243)	(13,722)
Income tax paid		(157,270)	(177,537)
Net decrease / (increase) in long term deposits		10,281	(19,273)
Net cash generated from operating activities		2,022,728	875,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(185,548)	(271,609)
Long term loans to employees		-	105
Investment made		-	(2,837)
Interest received		33,188	16,327
Proceeds from sale of property, plant and equipment		10,191	2,055
Proceeds from disposal of investments		-	934,667
Net cash (used in) / from investing activities		(142,169)	678,708
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from long term financing		40,496	200,000
Short term borrowings (net)		304,641	(1,223,892)
Repayment of long term financing		(1,008,851)	(594,774)
Repayment of redeemable capital		(900,000)	(5,100)
Repayment of liabilities against assets subject to finance lease		(145,547)	(36,317)
Redemption of preference shares		(243,129)	-
Dividend paid		(256)	(51)
Net cash used in financing activities		(1,952,646)	(1,660,134)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(72,087)	(105,765)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		848,729	709,476
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		776,642	603,711

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 nine months ended 31 March 2013

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											
SHARE CAPITAL	CAPITAL RESERVES					REVENUE RESERVES			TOTAL RESERVES	NON CONTROLLING INTEREST	TOTAL EQUITY
	Share premium	Fair value reserve	Sub Total	General Reserve	(Accumulated loss) / Unappropriated profit	REVENUE RESERVES					
						Sub Total	Total Reserves				
2,455,262	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	
-	-	-	-	-	120,961	120,961	120,961	120,961	66,199	187,160	
-	-	-	-	-	624,228	624,228	624,228	624,228	81,304	705,532	
-	-	(523,927)	(523,927)	-	-	(523,927)	(523,927)	(523,927)	(146,747)	(670,674)	
-	-	(523,927)	(523,927)	-	624,228	624,228	100,301	100,301	(65,443)	34,858	
2,455,262	144,919	-	144,919	1,450,491	(714,458)	736,033	880,952	3,336,214	1,046,990	4,383,204	
-	-	-	-	-	11,672	11,672	11,672	11,672	-	11,672	
-	-	-	-	-	(3,144)	(3,144)	(3,144)	(3,144)	3,144	-	
-	-	-	-	-	593,551	593,551	593,551	593,551	285,254	878,805	
-	-	-	-	-	593,551	593,551	593,551	593,551	285,254	878,805	
2,455,262	144,919	-	144,919	1,450,491	(112,379)	1,338,112	1,483,031	3,938,293	1,335,388	5,273,681	
-	-	-	-	-	-	-	-	-	(528,263)	(528,263)	
-	-	-	-	-	-	-	-	-	(178,391)	(178,391)	
-	-	-	-	-	(541,625)	(541,625)	(541,625)	(541,625)	541,625	-	
-	-	-	-	-	2,068,800	2,068,800	2,068,800	2,068,800	846,770	2,915,570	
-	-	-	-	-	2,068,800	2,068,800	2,068,800	2,068,800	846,770	2,915,570	
2,455,262	144,919	-	144,919	1,450,491	1,414,796	2,865,287	3,010,206	5,465,468	2,017,129	7,482,597	

----- (Rupees in thousand) -----

Balance as at 30 June 2011

Transferred from surplus on revaluation of property, plant and equipment (net of tax)

Profit after taxation for the nine months ended 31 March 2012
Other comprehensive loss for the nine months ended 31 March 2012
Total comprehensive income / (loss) for the nine months ended 31 March 2012

Balance as at 31 March 2012

Surplus on revaluation realised on disposal of land
Decrease in interest of equity holders of the Holding Company

Profit after taxation for the quarter ended 30 June 2012
Other comprehensive income for the quarter ended 30 June 2012
Total comprehensive income for the period ended 30 June 2012

Balance as at 30 June 2012

Redemption of preference shares
Dividend paid to minority shareholders

Decrease in interest of equity holders of the Holding Company

Profit after taxation for the nine months ended 31 March 2013

Total comprehensive income for the nine months ended 31 March 2013

Balance as at 31 March 2013

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 nine months ended 31 March 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% (2012: 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 2012.

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 2012.

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 2012.

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
5. LONG TERM FINANCING		
Secured		
Opening balance	5,502,187	6,379,805
Add : Addition during the period / year	40,496	-
Less: Repayments during the period/ year	1,004,056	877,618
	4,538,627	5,502,187
Less: Current portion shown under current liabilities	1,427,634	1,483,747
	3,110,993	4,018,440
Unsecured		
	-	4,794
	3,110,993	4,023,234

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 2012 except for guarantees issued by banks in respect of financial and operational obligations of the Group amounting to Rupees 674.806 million (30 June 2012: Rupees 657.258 million).

6.2 Commitments in respect of:

Commitments in respect of:

- (i) Contracts for capital expenditure are Rupees 7.934 million (30 June 2012 : Rupees 117.805 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 586.062 million (30 June 2012: Rupees 265.433 million).

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
Owned (Note 7.1)	24,051,220	25,029,089
Leased (Note 7.2)	861,688	899,781
Capital work-in-progress (Note 7.3)	64,173	69,514
	24,977,081	25,998,384



	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
7.1 Operating fixed assets - Owned		
Opening book value	25,029,089	30,192,678
Add: Cost of additions during the period / year (Note 7.1.1)	190,890	4,106,922
Add: Transferred from leased assets (Note 7.2)	-	8,195
Less: Reversal of revaluation surplus during the year	-	7,291,505
	25,219,979	27,016,290
Less: Book value of deletions during the period / year (7.1.2)	2,892	413,169
	25,217,087	26,603,121
Less : Depreciation charged during the period / year	1,165,867	1,574,032
Closing book value	24,051,220	25,029,089
7.1.1 Cost of additions		
Buildings	12,292	431,732
Plant and machinery	133,876	3,623,828
Service and other equipment	495	11,687
Computer and IT installations	3,306	2,394
Furniture and fixture	8,893	8,843
Office equipment	2,047	1,698
Vehicles	29,981	17,923
Quarry equipment	-	8,817
	190,890	4,106,922
7.1.2 Book value of deletions		
Freehold land	-	411,345
Plant and machinery	922	194
Computer and IT installations	78	215
Furniture and fixture	-	31
Office equipment	-	30
Vehicles	1,892	1,354
	2,892	413,169
7.2 Operating fixed assets - Leased		
Opening book value	899,781	962,220
Less : Transferred to owned assets (Note 7.1)	-	8,195
	899,781	954,025
Less : Depreciation charged during the period / year	38,093	54,244
Closing book value	861,688	899,781

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
7.3 Capital work-in-progress		
Plant and machinery	35,894	33,880
Un-allocated capital expenditure	5,988	1,001
Advances to suppliers against:		
- purchase of land	2,000	2,000
- civil works	-	3,842
- Furniture and fixture	19,135	17,855
- plant and machinery	1,156	9,237
- vehicles	-	1,699
	64,173	69,514
	Un-audited	
	Nine months ended	
	31 March 2013	31 March 2012
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,144,469	881,798
Adjustment for non-cash charges and other items		
Depreciation	1,203,960	1,503,820
Amortization of intangible assets	8,400	9,055
Finance cost	1,825,885	2,451,945
Provision for doubtful debts	8,093	31,797
Unclaimed balances written back	(63)	-
Employees' compensated absences	10,649	16,462
Gain on sale of property, plant and equipment	(7,299)	(904)
(Gain) / loss on remeasurement of investment	3,895	(747)
Loss on winding up of subsidiary	-	142
Gain on sale of investment	-	(920,360)
Return on bank deposits	(32,353)	(15,647)
Working capital changes (Note 8.1)	(1,748,719)	(536,466)
	4,416,917	3,420,895
8.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(770,877)	144,659
Stock-in-trade	(392,881)	(157,464)
Trade debts	(22,744)	(397,620)
Loans and advances	(28,298)	(113,371)
Security deposits and short term prepayments	32,064	47,551
Short term investments	14,000	-
Other receivables	(27,511)	133,168
	(1,196,247)	(343,077)
Decrease in current liabilities		
Trade and other payables	(552,472)	(193,389)
	(1,748,719)	(536,466)

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 2013	31 March 2012	31 March 2013	31 March 2012
(..... Rupees in thousand))			

Other related parties

Group's contribution to employee's benefits	20,963	22,553	8,472	3,129
Remuneration paid to Chief Executive Officers, Directors and Executives	170,609	150,144	61,158	86,505

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 2012.

12. AUTHORIZATION

This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Company on April 25, 2013.

13. CORRESPONDING FIGURES

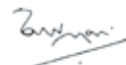
Corresponding figures have been re-arranged, where ever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

14. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



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