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COMPANY INFORMATION

Board of Directors

Mr. Aamir Fayyaz Sheikh	Chief Executive /Chairman
Mr. Asad Fayyaz Sheikh	
Mr. Ali Fayyaz Sheikh	
Mr. Rashid Ahmed	
Mr. Aamir Ameen	NIT Nominee
Mr. Salman Akram Raja	
Syed Mohsin Raza Naqvi	

Audit Committee

Mr. Rashid Ahmed	Chairman
Mr. Asad Fayyaz Sheikh	Member
Mr. Ali Fayyaz Sheikh	Member

Chief Financial Officer

Syed Mohsin Raza Naqvi

Head of Internal Audit

Mr. Zeeshan Khurram

Company Secretary

Mr. Muhammad Rizwan Khan

Auditors

M/s Riaz Ahmad & Company
Chartered Accountants

Bankers

Al Baraka Islamic Bank B.S.C. (E.C)
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Royal Bank of Scotland
Saudi Pak Commercial Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Registered Office, Mills &

Shares Department

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

Cell: (92-333) 4998801-10

Land Line: (92-42) 6369340

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E-mail: info@kohinoormills.com

Web site: www.kohinoormills.com



DIRECTORS' REPORT

The Directors of the Company present the un-audited financial statements for the nine months ended March 31, 2009. These accounts are presented in accordance with the requirements of the Companies Ordinance, 1984.

Operating and Financial Results

During the period under review, your Company earned a gross profit of Rupees 689 million on sales of Rupees 6,187 million as compared to gross profit of Rupees 474 million on sales of Rupees 4,626 million for the corresponding period of the previous financial year 2007-08. During this period, your Company incurred a net loss after tax of Rupees 524 million as compared to a net loss after tax of Rupees 250 million during the corresponding period last year. Gross margin remained at 11.1% during the period under review, as compared to 10.2 % of the corresponding period of the last financial year.

Geo-political environment, susceptible law and order situation of the country, sharp rise in interest rates, ongoing recession in US economy and its repercussions on the rest of the world economies, massive Sui gas and electricity load shedding coupled with increased cost of doing business in Pakistan continued to exert pressure on the overall performance and consequently the results of your Company. Further, due to sharp devaluation of Pakistani Rupee in first half of the year, your Company incurred a heavy exchange loss of Rs. 241 million during that period on its foreign currency loans. However, your Company has now converted most of the foreign currency loans into Rupee loans. Further, the Company has re-profiled its debt from expensive short term borrowings into export refinance facilities to mitigate negative effects of increase in interest rates.

Impairment loss on short term investments

Owing to continued economic crisis in the country, the stock market of Pakistan experienced a massive decline in value during 2008, registering significant losses in share prices of companies in all sectors. Based on the quoted price as at December 31, 2008, there was an impairment loss on the Company's short term investments whereas there was a slight recovery during quarter ended March 31, 2009, as explained in Note 10.1 to these financial statements. However, in compliance with SRO 150 (I)/2009 dated February 13, 2009 of Securities and Exchange Commission of Pakistan (SECP), the impairment loss was shown under the equity on December 31, 2008 and is being accounted for, during year 2009, as prescribed in the said order.

Weaving Division

In this division, your Company replaced 84 wider width looms with 98 high speed state-of-the-art looms which shall produce mainly apparel wear fabric. These new looms were commissioned and started their regular production in July 2008. In addition to complete backward integration, in-house consumption of majority of weaving production in your dye house will not only bring synergy in inspection and packing costs, but will also bring in savings in respect of commission, taxation, transportation costs and other related costs.

Dyeing Division

Despite the intense competition and rapidly changing market situations, this division of your Company has been able to show good progress. Momentum gained during the financial year 2006-07 in the capacity utilization of this division continued during the year ended June 30, 2008 and it is expected that the results of financial year 2008-09 will show even further improvement.



Hosiery Division

Due to recession in US and European economies, capacity utilization has reduced, resultantly losses were experienced in this division during the current quarter under review. Management is trying to diversify and enhance the customer base both in US and Europe. Efforts are initiated to ascertain new marketing channels and the management is confident that with these measures results of this division shall improve.

Genertek Division

This division suffered heavy losses as a result of unprecedented gas load shedding due to which we were forced to use HFO-fired back-up NIIGATA engines to generate electricity. In order to avoid these heavy losses, your Company has made arrangements to shift to WAPDA supply during the gas load shedding expected in the next season. Further, this division has started supplying electricity to LESCO w.e.f. May 3, 2008. Your management is hopeful that both these steps will enhance the profitability of this division.

Apparel Division

This newly established division of your Company started its stitching operations of institutional work wear, bottom wear apparels and casual trousers in line with planned vertical integration of your organization. Currently this division is not operating at full capacity; however, management is trying to operate it at full capacity.

Q Mart Corporation (Private) Limited (a wholly owned subsidiary of your Company)

Three stores have already commenced operations during the last financial year ended June 30, 2008, fourth store was added during the period under review and another two stores are planned to be made operational during the current financial year making the total of six stores.

Future Prospects

Your Company has developed a detailed strategy to overcome the grim economic conditions explained above. Addition of new narrow width looms in Weaving division, diversification of customer base in Hosiery and Dyeing divisions, addition of new marketing channels, re-profiling of debt from expensive short term borrowings into export refinance facilities and supply of electricity to LESCO are some of the steps, which will improve the results of your Company in the periods to come.

Acknowledgment

The Board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the Company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the Company.

Statement u/s 241(2) of the Companies Ordinance, 1984:

This directors' report has been signed by two directors, instead of chairman/chief executive, as the chairman/chief executive is not for the time being in Pakistan.

For and on behalf of the Board

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009

	Note	(Un Audited) MARCH 31 2009 Rupees	(Audited) JUNE 30 2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued, subscribed and paid up share capital	5	509,110,110	509,110,110
Reserves		<u>880,242,440</u>	<u>1,729,746,578</u>
Total equity		<u>1,389,352,550</u>	<u>2,238,856,688</u>
NON-CURRENT LIABILITIES			
Long term financing - secured	6	897,970,777	902,907,809
Deferred tax		<u>151,385,474</u>	<u>251,000,069</u>
		1,049,356,251	1,153,907,878
CURRENT LIABILITIES			
Trade and other payables		1,317,485,896	877,736,509
Accrued markup		161,990,111	113,895,958
Short term borrowings - secured		4,533,271,972	4,127,379,652
Current portion of long term liabilities		308,079,534	529,543,297
Provision for taxation		46,321,446	41,147,079
		<u>6,367,148,959</u>	<u>5,689,702,495</u>
Total Liabilities		<u>7,416,505,210</u>	<u>6,843,610,373</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES		<u>8,805,857,760</u>	<u>9,082,467,061</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	8	4,016,299,674	4,062,381,866
Long term investments	9	261,329,500	247,229,500
Long term security deposits		1,610,751	1,820,751
		<u>4,279,239,925</u>	<u>4,311,432,117</u>
CURRENT ASSETS			
Stores, spares and loose tools		447,030,806	383,642,759
Stock-in-trade		1,330,267,308	1,598,730,680
Trade debts - Considered good		1,121,957,832	775,013,196
Loans and advances		658,551,825	564,476,629
Trade deposits and short term prepayments		19,163,249	2,349,040
Other receivables		158,400,735	192,858,559
Sales tax recoverable		97,967,635	114,863,679
Short term investments	10	638,034,228	1,085,586,948
Cash and bank balances		55,244,217	53,513,454
		<u>4,526,617,835</u>	<u>4,771,034,944</u>
TOTAL ASSETS		<u>8,805,857,760</u>	<u>9,082,467,061</u>

The annexed notes form an integral part of this interim financial information.
The impact of investment's impairment on profit and loss account is given in note 10.1

Statement u/s 241(2) of the Companies Ordinance, 1984:

These financial statements have been signed by two directors, instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2009

Note	Nine months ended		Quarter ended	
	MARCH 31 2009 Rupees	MARCH 31 2008 Rupees	MARCH 31 2009 Rupees	MARCH 31 2008 Rupees
SALES	6,186,557,274	4,625,728,730	2,048,184,293	1,589,933,732
COST OF SALES	11 5,497,930,260	4,152,039,737	1,838,550,448	1,471,759,415
GROSS PROFIT	688,627,014	473,688,993	209,633,845	118,174,317
DISTRIBUTION COST	390,052,962	281,834,119	142,594,508	76,491,649
ADMINISTRATIVE EXPENSES	162,734,412	142,652,057	52,142,995	38,003,401
OTHER OPERATING EXPENSES	2,243,985	9,885	2,224,580	9,885
	<u>555,031,359</u>	<u>424,496,061</u>	<u>196,962,083</u>	<u>114,504,935</u>
	133,595,655	49,192,932	12,671,762	3,669,382
OTHER OPERATING INCOME	43,855,459	67,914,026	(2,988,033)	15,956,983
PROFIT FROM OPERATIONS	177,451,114	117,106,958	9,683,729	19,626,365
FINANCE COST	631,048,138	330,336,523	122,901,740	96,417,130
IMPAIRMENT ON SHORT TERM INVESTMENTS	22,274,731	-	22,274,731	-
	<u>653,322,869</u>	<u>330,336,523</u>	<u>145,176,471</u>	<u>96,417,130</u>
LOSS BEFORE TAXATION	(475,871,755)	(213,229,565)	(135,492,742)	(76,790,765)
PROVISION FOR TAXATION	47,968,989	36,912,216	17,566,980	6,147,299
LOSS AFTER TAXATION	<u>(523,840,744)</u>	<u>(250,141,781)</u>	<u>(153,059,722)</u>	<u>(82,938,064)</u>
EARNINGS PER SHARE - BASIC AND DILUTED	<u>(10.29)</u>	<u>(5.08)</u>	<u>(3.01)</u>	<u>(1.63)</u>

The annexed notes form an integral part of this interim financial information.
The impact of investment's impairment on profit and loss account is given in note 10.1

Statement u/s 241(2) of the Companies Ordinance, 1984:

These financial statements have been signed by two directors, instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2009 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance 1984, and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. The registered office of the company is situated at 8-K.M.Manga Raiwind Road, District Kasur. The company is principally engaged in the business of textile manufacturing covering weaving, knitting, bleaching, dyeing, stitching, buying, selling, and otherwise dealing in yarn, bed linen, home furnishing, socks, cloth and other goods and fabric made from raw cotton and synthetic fibre, and to generate and sell electricity.

2. BASIS OF PREPARATION

This interim financial information is un-audited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. This interim 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 interim financial information should be read in conjunction with the annual published financial statements of the Company for the year ended 30 June 2008.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

Accounting policies and methods of computation adopted for the preparation of this interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2008.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgements and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended 30 June 2008 except for the change as stated below:

4.1 Change in accounting estimate

During the nine months ended 31 March 2009, the Company has changed the accounting estimate for valuation of unquoted available for sale investments. Fair value of unquoted, available for sale investments is now determined by using dividend stream method. Previously, valuation was carried out using net assets based valuation model. Effect of this change in estimate is recognized prospectively in accordance with the requirements of International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had there been no change in this accounting estimate, short term investments, fair value reserve and deferred tax liability would have been lower by Rupees 243.064 million, Rupees 179.260 million and Rupees 63.804 million respectively with nil effect on the loss for the nine months ended 31 March 2009.

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-Audited March 31 2009 (Number of shares)	Audited June 30 2008		Un-Audited March 31 2009 Rupees	Audited June 30 2008 Rupees
14,000,000	14,000,000	Ordinary shares of Rupees 10 each fully paid in cash	140,000,000	140,000,000
18,780,031	18,780,031	Ordinary shares of Rupees 10 each as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement.	35,849,770	35,849,770
14,546,003	14,546,003	Ordinary shares of Rupees 10 each issued as right shares @ Rupees 20 per share.	145,460,030	145,460,030
<u>50,911,011</u>	<u>50,911,011</u>		<u>509,110,110</u>	<u>509,110,110</u>

6. LONG TERM FINANCING - SECURED

Opening balance	1,392,451,981	1,454,608,249
Add: Obtained during the period / year	-	596,367,918
Less: Repaid during the period / year	186,401,670	658,524,186
Closing balance	1,206,050,311	1,392,451,981
Less: Current portion shown under current liabilities	308,079,534	489,544,172
Non-current portion	<u>897,970,777</u>	<u>902,907,809</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 There has been no significant change in contingencies since the date of preceding annual published financial statements of the Company.

7.2 Commitments in respect of :

7.2.1 Contracts for capital expenditure amount to Rupees NIL (30 June 2008: Rupees 2.6 million) and for revenue contracts Rupees 99.135 million (30 June 2008: Rupees 13.928 million).

7.2.2 Post dated cheques issued to suppliers amounting to Rupees 380.798 million (30 June 2008: Rupees 6.861 million).

7.2.3 Cross currency swap of Rupees NIL (30 June 2008: Rupees 320 million)

8. FIXED ASSETS

Property, plant and equipment		
Operating assets (Note 8.1)	3,767,076,875	3,891,303,330
Capital work in progress (Note 8.2)	245,167,017	164,523,280
Intangible assets - computer software	4,055,782	6,555,256
	<u>4,016,299,674</u>	<u>4,062,381,866</u>

8.1 Operating assets

Opening book value	3,892,809,358	3,828,979,329
Cost of additions during the period / year (Note 8.1.1)	72,177,983	261,220,485
	3,964,987,341	4,090,199,814
Less: Book value of deletions during the period / year (Note 8.1.2)	24,333,496	2,917,554
Add: Transfer of assets held for disposal		
Cost	-	199,597,352
Depreciation	-	(145,966,240)
	-	53,631,112
Less: Depreciation charged during the period / year	173,576,970	249,610,042
	<u>3,767,076,875</u>	<u>3,891,303,330</u>



	Un-Audited March 31 2009 Rupees	Audited June 30 2008 Rupees
8.1.1 Cost of additions during the period / year		
Factory Building	1,521,553	55,476,216
Plant and machinery	53,255,183	173,393,280
Electric installations	1,029,489	4,367,572
Furniture, fixtures and equipments	4,938,556	8,517,117
Vehicles	4,529,048	13,354,195
Computers	6,904,154	6,112,105
	<u>72,177,983</u>	<u>261,220,485</u>

8.1.2 Book value of deletions during the period / year

Cost of deletions		
Plant and machinery	79,790,594	-
Vehicles	6,988,999	5,739,627
Furniture, fixture and equipment	126,828	-
Computers	3,674,663	-
	90,581,084	5,739,627
Less: Accumulated depreciation		
Plant and machinery	60,319,201	-
Vehicles	3,847,942	2,822,073
Furniture, fixture and equipment	16,950	-
Computers	2,063,495	-
	66,247,588	2,822,073
	<u>24,333,496</u>	<u>2,917,554</u>

8.2 Capital work in progress

Plant and machinery	38,437,913	54,983,669
Civil works on freehold land	101,198,719	96,893,537
Electric installations	4,026,847	3,649,245
Unallocated capital expenditures	101,503,538	8,996,829
	<u>245,167,017</u>	<u>164,523,280</u>

9. LONG TERM INVESTMENTS

Investment in subsidiary company-at cost

Q Mart Corporation (Private) Limited - unquoted		
24,722,950 (30 June 2008 : 19,792,950)		
ordinary shares of Rupees 10 each	247,229,500	197,929,500
Advance for purchase of shares	14,100,000	49,300,000
	<u>261,329,500</u>	<u>247,229,500</u>

Available for sale

K-2 Hosiery (Private) Limited - Unquoted		
1,194,000 (30 June 2008 : 1,194,000) Ordinary shares of Rupees 10 each		
	11,940,000	11,940,000
Less: Provision for impairment	11,940,000	11,940,000
	<u>261,329,500</u>	<u>247,229,500</u>

10. SHORT TERM INVESTMENTS

Available for sale

Maple Leaf Cement Factory Limited - quoted		
11,251,000 (30 June 2008: 11,251,000)		
ordinary shares of Rupees 10 each	169,431,065	169,431,065
Impairment / deficit on revaluation of investment (Note 10.1)	(114,751,205)	(46,682,655)
	54,679,860	122,748,410

Associated undertaking

Security General Insurance Company Limited - unquoted		
6,076,608 (30 June 2008: 6,076,608)		
ordinary shares of Rupees 10 each	6,647,800	6,647,800
Surplus on revaluation of investment	576,706,568	956,190,738
	583,354,368	962,838,538
	<u>638,034,228</u>	<u>1,085,586,948</u>

10.1 Impairment loss

The impairment loss of Rupees 114.751 million is determined on the basis of quoted market price as at 31 March 2009. Due to current economic conditions in the country, the management believes that these circumstances are rare and share prices quoted on stock exchanges can not be considered as a fair reflection of equity values. Therefore, in compliance with SRO 150 (I)/2009 dated 13 February 2009 of Securities and Exchange Commission of Pakistan (SECP), the impairment loss on valuation of investment in Maple Leaf Cement Factory Limited as at 31 December 2008 was shown under the equity. The amount taken to equity including any adjustment / effect for price movement is being charged to Profit and Loss Account on quarterly basis during the year ending 31 December 2009. During the quarter ended 31 March 2009, Rupees 22.275 million was charged to Profit and Loss Account.

Further, the amount remaining in reserves as at 31 March 2009 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.

Had the impairment loss been recognized through Profit and Loss Account the figures recognized in this interim financial information would have been different as follows:

	Un-audited March 31 2009 Rupees
Increase in loss for the period	92,476,474
Increase in fair value reserve	<u>92,476,474</u>
Increase in loss per share	<u>1.82</u>



	Un-Audited Nine months ended March 31 2009 Rupees	Un-Audited Nine months ended March 31 2008 Rupees
11. COST OF SALES		
Raw material consumed	3,480,851,707	2,921,324,082
Chemical consumed	606,780,971	375,853,241
Salaries, wages and other benefits	315,694,528	242,072,108
Employee's provident fund contributions	11,198,178	10,188,408
Cloth conversion and processing charges	74,898,753	56,655,124
Fuel, oil and power	282,325,661	189,690,415
Stores, spares and loose tools	115,090,680	108,391,099
Packing material	111,906,594	102,258,250
Repair and maintenance	23,823,028	19,718,847
Insurance	8,211,684	10,914,482
Other manufacturing expenses	53,366,141	50,114,412
Depreciation	165,586,299	194,598,744
	<u>5,249,734,224</u>	<u>4,281,779,212</u>
Work-in-process inventory		
Opening stock	380,593,492	365,947,894
Closing stock	(337,833,545)	(362,671,750)
	<u>42,759,947</u>	<u>3,276,144</u>
Cost of goods manufactured	5,292,494,171	4,285,055,356
Cost of yarn and cloth purchased for resale	134,234,326	67,153,053
	<u>5,426,728,497</u>	<u>4,352,208,409</u>
Finished goods inventory		
Opening stock	745,458,300	417,563,462
Closing stock	(674,256,537)	(617,732,134)
	<u>71,201,763</u>	<u>(200,168,672)</u>
	<u>5,497,930,260</u>	<u>4,152,039,737</u>
12. TRANSACTIONS WITH RELATED PARTIES		
Related parties comprises of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties.		
Subsidiary company		
Sales of goods	993,455	75,586
Purchase of goods	2,441,532	-
Investment made	14,100,000	197,929,500
Associated company		
Dividend received	9,114,912	8,102,145
Other related parties		
Remuneration of key management personnel	38,568,867	40,417,981
Contribution to employees' provident fund trust	16,222,565	13,988,820
13. AUTHORIZED FOR ISSUE		
This interim financial information was authorized for issue on April 23, 2009 by the Board of Directors of the company.		
14. CORRESPONDING FIGURES		
Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.		

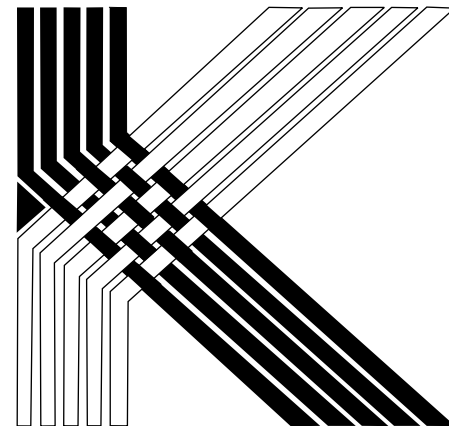
Statement u/s 241(2) of the Companies Ordinance, 1984:

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Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



**Kohinoor Mills Limited
and
Subsidiary Company**



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	NOTE	(Un Audited) MARCH 31 2009 Rupees	(Audited) JUNE 30 2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued, subscribed and paid up share capital	5	509,110,110	509,110,110
Reserves		<u>825,256,981</u>	<u>1,699,283,914</u>
Total equity		<u>1,334,367,091</u>	<u>2,208,394,024</u>
NON-CURRENT LIABILITIES			
Long term financing - secured	6	897,970,777	902,907,809
Deferred tax		144,461,119	244,075,714
Provision for gratuity		1,034,248	1,034,248
		<u>1,043,466,144</u>	<u>1,148,017,771</u>
CURRENT LIABILITIES			
Trade and other payables		1,359,298,585	904,729,013
Accrued markup		161,990,111	113,895,958
Short term borrowings - secured		4,533,271,972	4,127,379,652
Current portion of long term liabilities		308,079,534	529,543,297
Provision for taxation		46,876,019	41,701,652
		<u>6,409,516,221</u>	<u>5,717,249,572</u>
Total Liabilities		<u>7,452,982,365</u>	<u>6,865,267,343</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES		<u>8,787,349,456</u>	<u>9,073,661,367</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	8	4,185,656,563	4,232,985,156
Goodwill		33,884,785	33,884,785
Long term security deposits		3,667,673	4,038,673
		<u>4,223,209,021</u>	<u>4,270,908,614</u>
CURRENT ASSETS			
Stores, spares and loose tools		447,030,806	383,642,759
Stock-in-trade		1,360,183,060	1,619,307,232
Trade debts - Considered good		1,121,957,832	775,013,196
Loans and advances		653,703,418	569,890,089
Trade deposits and short term prepayments		19,490,115	2,950,736
Other receivables		168,571,469	193,459,420
Sales tax recoverable		97,967,635	114,863,679
Short term investments	9	638,034,228	1,085,586,948
Cash and bank balances		57,201,872	58,038,694
		<u>4,564,140,435</u>	<u>4,802,752,753</u>
TOTAL ASSETS		<u>8,787,349,456</u>	<u>9,073,661,367</u>

The annexed notes form an integral part of this interim financial information.
The impact of investment's impairment of holding company on profit and loss account is given in note 9.1.

Statement u/s 241(2) of the Companies Ordinance, 1984:

These financial statements have been signed by two directors, instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2009

Notes	Nine months ended		Quarter ended	
	MARCH 31 2009 Rupees	MARCH 31 2008 Rupees	MARCH 31 2009 Rupees	MARCH 31 2008 Rupees
SALES	6,281,554,520	4,657,426,074	2,081,997,528	1,600,647,784
COST OF SALES	10 5,576,749,209	4,182,174,246	1,867,607,518	1,483,507,209
GROSS PROFIT	704,805,311	475,251,828	214,390,010	117,140,575
DISTRIBUTION COST	407,493,976	288,840,679	149,656,388	80,097,162
ADMINISTRATIVE EXPENSES	187,817,594	161,971,242	58,739,528	45,669,102
OTHER OPERATING EXPENSES	2,585,807	133,862	2,566,403	9,885
	<u>597,897,377</u>	<u>450,945,783</u>	<u>210,962,319</u>	<u>125,776,149</u>
	106,907,934	24,306,045	3,427,691	(8,635,574)
OTHER OPERATING INCOME	46,020,384	69,580,420	(920,899)	16,735,459
PROFIT FROM OPERATIONS	152,928,318	93,886,465	2,506,792	8,099,885
FINANCE COST	631,048,137	330,336,523	122,786,016	96,417,130
IMPAIRMENT ON SHORT TERM INVESTMENTS	22,274,731	-	22,274,731	-
	<u>653,322,868</u>	<u>330,336,523</u>	<u>145,060,747</u>	<u>96,417,130</u>
LOSS BEFORE TAXATION	(500,394,550)	(236,450,058)	(142,553,955)	(88,317,245)
PROVISION FOR TAXATION	47,968,989	37,071,081	17,566,980	6,200,869
LOSS AFTER TAXATION	<u>(548,363,539)</u>	<u>(273,521,139)</u>	<u>(160,120,935)</u>	<u>(94,518,114)</u>
EARNINGS PER SHARE - BASIC AND DILUTED	(10.77)	(5.56)	(3.15)	(1.86)

The annexed notes form an integral part of this interim financial information. The impact of investment's impairment of holding company on profit and loss account is given in note 9.1.

Statement u/s 241(2) of the Companies Ordinance, 1984:

These financial statements have been signed by two directors, instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
DIRECTOR


SYED MOHSIN RAZA NAQVI
DIRECTOR



SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2009

1. THE GROUP AND ITS OPERATIONS

Holding company

Kohinoor Mills Limited is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance 1984, and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. The registered office of the company is situated at 8-K.M.Manga Raiwind Road, District Kasur. The company is principally engaged in the business of textile manufacturing covering weaving, knitting, bleaching, dyeing, stitching, buying, selling, and otherwise dealing in yarn, bed linen, home furnishing, socks, cloth and other goods and fabric made from raw cotton and synthetic fibre, and to generate and sell electricity.

Subsidiary company

Wholly owned subsidiary company Q Mart Corporation (Private) Limited is a private limited company incorporated in Pakistan, under the provisions of Companies Ordinance 1984. The registered office of the company is in Lahore. The principal activity of the company is to carry on business as a retailer in all types of general merchandise.

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and are being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

These condensed interim consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June, 2008.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and method of computations adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the preceding annual published consolidated financial statements of the Group for the year ended 30 June 2008.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgements and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published consolidated financial statements for the year ended 30 June 2008 except for the change as stated below:

4.1 Change in accounting estimate

During the nine months ended 31 March 2009, the Holding Company has changed the accounting estimate for valuation of unquoted available for sale investments. Fair value of unquoted, available for sale investments is now determined by using dividend stream method. Previously, valuation was carried out using net assets based valuation model. Effect of this change in estimate is recognized prospectively in accordance with the requirements of International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had there been no change in this accounting estimate, short term investments, fair value reserve and deferred tax liability would have been lower by Rupees 243,064 million, Rupees 179,260 million and Rupees 63,804 million respectively with nil effect on the loss for the nine months ended 31 March 2009.

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-Audited March 31 2009 (Number of shares)	Audited June 30 2008		Un-Audited March 31 2009 Rupees	Audited June 30 2008 Rupees
14,000,000	14,000,000	Ordinary shares of Rupees 10 each fully paid in cash	140,000,000	140,000,000
18,780,031	18,780,031	Ordinary shares of Rupees 10 each as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
14,546,003	14,546,003	Ordinary shares of Rupees 10 each issued as right shares @ Rupees 20 per share.	145,460,030	145,460,030
<u>50,911,011</u>	<u>50,911,011</u>		<u>509,110,110</u>	<u>509,110,110</u>

6. LONG TERM FINANCING - SECURED

Opening balance	1,392,451,981	1,454,608,249
Add: Obtained during the period / year	-	596,367,918
Less: Repaid during the period / year	186,401,670	658,524,186
Closing balance	1,206,050,311	1,392,451,981
Less: Current portion	308,079,534	489,544,172
Non-current portion	<u>897,970,777</u>	<u>902,907,809</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 There has been no significant change in contingencies since the date of preceding annual published financial statements.

7.2 Commitments in respect of :

7.2.1 Contracts for capital expenditure amount to Rupees NIL (30 June 2008: Rupees 2.6 million) and for revenue contracts Rupees 99.135 million (30 June 2008: Rupees 13.928 million).

7.2.2 Post dated cheques issued to suppliers amounting to Rupees 381.813 million (30 June 2008: Rupees 6.861 million).

7.2.3 Cross currency swap of Rupees NIL (30 June 2008: Rupees 320 million)



	Un-Audited March 31 2009 Rupees	Audited June 30 2008 Rupees
8. FIXED ASSETS		
Property, plant and equipment	3,918,174,702	4,048,882,146
Operating assets (Note 8.1)	259,871,035	173,365,349
Capital work in progress (Note 8.2)	7,610,826	10,737,661
Intangible assets - computer software	<u>4,185,656,563</u>	<u>4,232,985,156</u>
8.1 Operating assets		
Opening book value	4,050,388,174	3,828,979,329
Cost of additions during the period / year (Note 8.1.1)	73,461,195	428,896,785
	<u>4,123,849,369</u>	<u>4,257,876,114</u>
Less: Book value of deletions during the period / year (Note 8.1.2)	24,333,496	3,308,860
Add: Transfer of assets held for disposal		
Cost	-	199,597,352
Depreciation	-	(145,966,240)
	-	53,631,112
Less: Depreciation charged during the period / year	<u>181,341,171</u>	<u>259,316,220</u>
	<u>3,918,174,702</u>	<u>4,048,882,146</u>
8.1.1 Cost of additions during the period / year		
Freehold land	-	23,798,007
Residential building	101,400	92,926,531
Factory building	1,521,554	55,476,216
Building on leasehold land	-	3,611,914
Plant and machinery	53,255,183	173,393,280
Electric installations	1,080,285	21,772,602
Furniture, fixtures and equipments	4,938,556	32,669,559
Vehicles	5,341,168	17,791,796
Computers	7,223,049	7,456,880
	<u>73,461,195</u>	<u>428,896,785</u>
8.1.2 Book value of deletions during the period / year		
Cost of deletions		
Plant and machinery	79,790,594	-
Furniture, fixture and equipments	126,828	220,659
Vehicles	6,988,999	6,158,627
Computers	3,674,663	-
	<u>90,581,084</u>	<u>6,379,286</u>
Less: Accumulated depreciation		
Plant and machinery	60,319,201	-
Furniture, fixture and equipments	16,950	93,975
Vehicles	3,847,942	2,976,451
Computers	2,063,495	-
	<u>66,247,588</u>	<u>3,070,426</u>
	<u>24,333,496</u>	<u>3,308,860</u>
8.2 Capital work in progress		
Land	-	500,000
Plant and machinery	38,437,913	54,983,669
Civil works on freehold land	104,244,569	102,189,756
Electric installations	4,026,847	3,649,245
Unallocated capital expenditures	113,161,706	12,042,679
	<u>259,871,035</u>	<u>173,365,349</u>
9. SHORT TERM INVESTMENTS		
Available for sale		
Maple Leaf Cement Factory Limited - quoted		
11,251,000 (30 June 2008: 11,251,000)	169,431,065	169,431,065
Impairment / deficit on revaluation of investment (Note 9.1)	(114,751,205)	(46,682,655)
	<u>54,679,860</u>	<u>122,748,410</u>
Associated undertaking		
Security General Insurance Company Limited - unquoted		
6,076,608 (30 June 2008: 6,076,608)	6,647,800	6,647,800
ordinary shares of Rupees 10 each	576,706,568	956,190,738
Surplus on revaluation of investment	583,354,368	962,838,538
	<u>636,034,228</u>	<u>1,085,586,948</u>
9.1 Impairment loss		
The impairment loss of Rupees 114.751 million is determined on the basis of quoted market price as at 31 March 2009. Due to current economic conditions in the country, the management believes that these circumstances are rare and share prices quoted on stock exchanges can not be considered as a fair reflection of equity values. Therefore, in compliance with SRO 150 (I)/2009 dated 13 February 2009 of Securities and Exchange Commission of Pakistan (SECP), the impairment loss on valuation of investment in Maple Leaf Cement Factory Limited as at 31 December 2008 was shown under the equity. The amount taken to equity including any adjustment / effect for price movement is being charged to Profit and Loss Account on quarterly basis during the year ended 31 December 2009. During the quarter ended 31 March 2009, Rupees 22.275 million was charged to Profit and Loss Account.		
Further, the amount remaining in reserves as at 31 March 2009 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.		
Had the impairment loss been recognized through Profit and Loss Account the figures recognized in this interim financial information would have been different as follows:		



	Un-audited March 31 2009 Rupees	
Increase in loss for the period		92,476,474
Increase in fair value reserve		92,476,474
Increase in loss per share		1.82
	Un-Audited Nine months ended March 31 2009 Rupees	Un-Audited Nine months ended March 31 2008 Rupees
10. COST OF SALES		
Holding Company		
Raw material consumed	3,480,851,707	2,951,458,591
Chemical consumed	606,780,971	375,853,241
Salaries, wages and other benefits	315,694,528	242,072,108
Employee's provident fund contributions	11,198,178	10,188,408
Cloth conversion and processing charges	74,898,753	56,655,124
Fuel, oil and power	282,325,661	189,690,415
Stores, spares and loose tools	112,649,148	108,391,099
Packing material	111,906,594	102,258,250
Repair and maintenance	23,823,028	19,718,847
Insurance	8,211,685	10,914,482
Other manufacturing expenses	53,366,141	50,114,412
Depreciation	165,586,299	194,598,744
	<u>5,247,292,693</u>	<u>4,311,913,721</u>
Work-in-process inventory		
Opening stock	380,593,492	365,947,894
Closing stock	<u>(337,833,545)</u>	<u>(362,671,750)</u>
	<u>42,759,947</u>	<u>3,276,144</u>
Cost of goods manufactured	5,290,052,640	4,315,189,865
Cost of yarn and cloth purchased for resale	134,234,326	67,153,053
	<u>5,424,286,966</u>	<u>4,382,342,918</u>
Finished goods inventory		
Opening stock	745,458,300	417,563,462
Closing stock	<u>(674,256,537)</u>	<u>(617,732,134)</u>
	<u>71,201,763</u>	<u>(200,168,672)</u>
	5,495,488,729	4,182,174,246
Subsidiary Company		
Opening stock	20,576,552	-
Purchase during the year	90,599,680	-
	111,176,232	-
Closing stock	<u>(29,915,752)</u>	-
	<u>81,260,480</u>	-
Cost of sales	<u>5,576,749,209</u>	<u>4,182,174,246</u>

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties.

Associated company

Dividend received	9,114,912	8,102,145
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Other related parties

Remuneration of key management personnel	41,178,867	42,235,642
Contribution to employees' provident fund trust	16,347,080	14,565,834

12. AUTHORIZED FOR ISSUE

This interim consolidated financial information was authorized for issue on April 23, 2009 by the Board of Directors of the holding company.

13. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Statement u/s 241(2) of the Companies Ordinance, 1984:

These financial statements have been signed by two directors, instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Kasur:
April 23, 2009


ASAD FAYYAZ SHEIKH
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