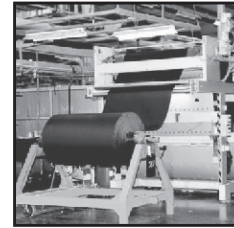




**Kohinoor Mills Limited**

Quarterly Report

For the period ended 31 March 2011



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## Company Information

### Board of Directors

Mr. Aamir Fayyaz Sheikh	Chief Executive /Chairman
Mr. Asad Fayyaz Sheikh	Director
Mr. Ali Fayyaz Sheikh	Director
Mr. Rashid Ahmed	Director
Mr. Kamran Shahid	Director
Mr. Aamir Amin	Director (NIT Nominee)
Mr. Tahir Bashir Solehria	Director

### Audit Committee

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

### Chief Financial Officer

Mr. Kamran Shahid

### Head of Internal Audit

Mr. Faisal Sharif

### Legal Advisors

- Raja Mohammad Akram & Co.,  
Advocate & Legal Consultants,  
Lahore.
- Malik Muhammad Ashraf Kumma  
Advocate

### Company Secretary

Mr. Muhammad Rizwan Khan

### Auditors

M/s. Riaz Ahmad & Co.,  
Chartered Accountants.

### Registered Office & Mills

8<sup>th</sup> K.M. Manga Raiwind Road,  
District Kasur.

UAN: (92-42) 111-941-941  
CELL LINES: (92-333) 4998801-10  
LAND LINES: (92-42) 35391941-45  
FAX: (92-42) 35391946 & 35393459  
EMAIL: info@kohinoormills.com  
WEBSITE: www.kohinoormills.com

### Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd, HM House,  
7 Bank Square, Lahore.  
LAND LINES: (92-42) 37235081 & 82  
FAX: (92-42) 37358817

### Bankers

- Allied Bank Limited
- Al Baraka Islamic Bank B.S.C. (E.C)
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- NIB Bank Limited
- Silk Bank Limited
- Standard Chartered Bank (Pakistan) Ltd
- The Bank of Punjab
- United Bank Limited

### Liaison Office

Room No. 301-302, 3<sup>rd</sup> Floor, Regency Plaza,  
Gulberg 3, Lahore

LAND LINES: (92-42) 35757461-5  
FAX: (92-42) 35757460

### Stock Exchange

Kohinoor Mills Limited is a public limited Company and its shares are traded under personal goods sector at all three Stock Exchanges of Pakistan.

## KOHINOOR MILLS LIMITED

### CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2011

## Directors' Report

The Directors of the Company present the un-audited interim financial statements for the nine-months ended 31 March 2011. These accounts are presented in accordance with the requirements of the Companies Ordinance, 1984.

### Debt restructuring

The company incurred loss after taxation of Rupees 1,248 million for the current nine months ended 31 March 2011. These continuing losses have resulted in erosion of company's reserves and depletion of working capital base. In order to turn the current state of affairs around, the management devised a detailed strategy for debt restructuring. With its long experience in fabric business, the management believes that the company can benefit from its expertise in production, marketing and selling of griegre and dyed fabric better than other businesses and that current circumstances warrant that the company should focus solely on its core competencies. Therefore, the revised strategy envisages full focus on its core business of griegre and dyed fabric and divestment from hosiery and apparel operations.

Therefore, the management, in the first phase of its revised strategy, concluded the sale of Assets of Hosiery Division and land and building of Apparel Division with M/s Interloop Limited, on 9 April 2011, for a total consideration of PKR 1,900 million. Out of these proceeds, PKR 1,200 million was utilized to repay the bank loans and balance funds were allocated for replenishment of working capital in remaining core businesses. For restructuring of the residual debt in second phase, the company has obtained the "in principle" approval from some of the bankers for the proposed settlement and restructuring. The remaining debt is proposed to be converted into long term loan with an initial moratorium on principal repayments for two years and at a sustainable mark up rate. The management is confident that these steps will bring the company out of the existing financial crisis.

### Operating & Financial Results

After sale of assets in Hosiery and Apparel divisions, the results of these divisions have been disclosed under the head "Loss from discontinued operations" as per requirements of the approved accounting standards, separately from the results from continuing operations, i.e. Weaving, Dyeing and Genertek divisions.

Your company incurred a gross loss of Rupees 164 million on sales of Rupees 3,792 million from continuing operations during the nine-months ended 31 March 2011, as compared to gross profit of Rupees 283 million on sales of Rupees 4,394 million for the corresponding period of the previous financial year (FY) 2009-10. The net loss after tax from continuing operations was Rupees 824 million during the current nine-months, compared to the corresponding figure of Rupees 698 million for FY 2009-10. In its discontinued businesses of Hosiery and Apparel, the company suffered a loss after tax of Rupees 424 million during the period under review, due to unrecovered fixed costs. Overall, the company netted loss after tax of Rupees 1,248 million during the period under review compared to Rupees 698 million during the corresponding period last financial year.

With constricted liquidity due to continued losses, the company could not operate these divisions at optimal capacity and thus was unable to recover most of its fixed costs. In addition, higher raw material prices of yarn and fabric and continued gas load-shedding, forcing company to utilize expensive alternate fuel sources, further squeezed the overall gross margins.

### Weaving Division

With significant increase in yarn prices, the performance in this division remained subdued. However, the management expects that softening yarn market will ensure recovery in margins in coming quarter. Keeping in view the good order position in this division, the management is confident that with improved working capital and

resultant better capacity utilization, the performance in this division will improve further in remaining part of the year.

### Dyeing Division

The increase in griegre fabric prices squeezed the overall margins in this division. However, as the dyed fabric prices have shown an upward trend in subsequently, passing-through most of the increase in raw material costs to customers, the bottom-line is expected to register recovery, going forward. The management is hopeful that after injection of fresh working capital and resultant better capacity utilization, the situation would record a turnaround and there would be a significant improvement in this division in remaining part of the year.

### Genertek Division

The persistent gas load shedding, averaging three to four days per week, forced company to utilize HFO-based Niigata engines for electricity generation. Resultantly, the overall results remained depressed. Even after passing of the winter season, the gas load-shedding situation has not yet improved and is expected to continue in coming months. To curtail losses in this Division, the management, in the short run, intends to obtain energy connection from self-financed LESCO grid and exploring the option of alternate bio-fuels, including pet-coke to generate steam. In view of the worsening gas supply situation in the long run, the management intends to install steam turbine.

### Q Mart Corporation (Pvt) Ltd (a wholly owned subsidiary of your company)

Q Mart Corporation is currently operating with four stores in different locations of Punjab. Moreover, the management has increased the product range being offered to increase the stores' revenue and has teamed-up with local brands, renting them out the available floor-space where they offer their own products. Further, the management intends to roll out two new stores in Lahore city in coming months. The management is hopeful that these efforts will result in this company making profits as the sale turnover increases.

### Future Prospects

The company went through a difficult phase during past few years. Working capital shortage due to continued losses made it difficult to operate production facilities at all divisions at an optimal level. However, after completion of first phase of the debt restructuring, as discussed earlier, the company has been able to replenish its lost working capital. These funds will enable the company to operate its core divisions again at the full capacity level and mitigate the negative effects of rising raw material prices. The current order book of the company is quite healthy and it has confirmed orders up to June 2011 for the full capacity. Therefore, the management is confident, that after completion of both phases of the restructuring, the company will come out of the crisis-like situation and return to profitability once again in the coming years.

### Acknowledgment

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

### For and on behalf of the Board

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

Kasur:  
26 April 2011

**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET  
AS AT 31 MARCH 2011**

	NOTE	(Un Audited) 31 March 2011 Rupees	(Audited) 30 June 2010 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
80,000,000 (30 June 2010: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2010: 30,000,000) preference shares of Rupees 10 each		<u>300,000,000</u>	<u>300,000,000</u>
		<u>1,100,000,000</u>	<u>1,100,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
50,911,011 (30 June 2010: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		<u>(1,959,838,562)</u>	<u>(597,598,306)</u>
<b>Total equity</b>		<u>(1,450,728,452)</u>	<u>(88,488,196)</u>
<b>Surplus on revaluation of operating fixed assets</b>		1,011,572,458	1,024,153,342
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	5	<u>285,927,496</u>	<u>346,048,931</u>
Deferred income tax liability		<u>47,105,939</u>	<u>92,861,746</u>
		333,033,435	438,910,677
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>1,102,321,910</u>	<u>1,336,138,701</u>
Accrued markup		971,042,210	494,147,375
Short term borrowings - secured		4,236,506,095	4,508,280,549
Current portion of long term financing		984,484,172	924,362,737
Provision for taxation		<u>89,832,863</u>	<u>54,478,371</u>
		7,384,187,250	7,317,407,733
<b>Total Liabilities</b>		<u>7,717,220,685</u>	<u>7,756,318,410</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,278,064,691</u>	<u>8,691,983,556</u>

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE


	NOTE	(Un Audited) 31 March 2011 Rupees	(Audited) 30 JUNE 2010 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	7	3,105,793,150	5,181,769,803
Long term investments		300,000,000	300,000,000
Long term security deposits		<u>10,510,750</u>	<u>1,440,751</u>
		3,416,303,900	5,483,210,554
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<u>272,434,774</u>	<u>323,609,725</u>
Stock-in-trade		378,248,522	1,119,779,665
Trade debts		733,335,336	774,726,517
Loans and advances		145,066,457	329,990,567
Trade deposits and short term prepayments		5,496,651	11,577,434
Other receivables		228,466,893	180,795,300
Sales tax recoverable		76,070,918	120,711,830
Short term investments		91,594,121	272,263,840
Cash and bank balances		<u>29,015,630</u>	<u>75,318,124</u>
		1,959,729,302	3,208,773,002
Non-current assets held for sale	8	<u>1,902,031,489</u>	-
		3,861,760,790	3,208,773,002
<b>TOTAL ASSETS</b>		<u>7,278,064,691</u>	<u>8,691,983,556</u>

  
AAMIR AMIN  
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	Note	NINE MONTHS ENDED		QUARTER ENDED	
		31 MARCH 2011 Rupees	31 MARCH 2010 Rupees	31 MARCH 2011 Rupees	31 MARCH 2010 Rupees
<b>Continuing operations:</b>					
SALES		3,792,367,521	4,393,905,317	1,102,826,963	1,340,244,416
COST OF SALES	9	<u>(3,956,650,004)</u>	<u>(4,110,894,826)</u>	<u>(1,366,957,919)</u>	<u>(1,282,812,376)</u>
GROSS PROFIT / (LOSS)		(164,282,483)	283,010,491	(264,130,956)	57,432,040
DISTRIBUTION COST		<u>(211,817,696)</u>	<u>(280,565,086)</u>	<u>(57,539,754)</u>	<u>(92,330,623)</u>
ADMINISTRATIVE EXPENSES		<u>(109,122,725)</u>	<u>(142,548,810)</u>	<u>(35,505,243)</u>	<u>(46,214,848)</u>
OTHER OPERATING EXPENSES		<u>(8,045,133)</u>	<u>(78,207,924)</u>	<u>(4,431,174)</u>	<u>(11,375)</u>
		<u>(328,985,554)</u>	<u>(501,321,820)</u>	<u>(97,476,171)</u>	<u>(138,556,846)</u>
OTHER OPERATING INCOME		(493,268,037)	(218,311,329)	(361,607,127)	(81,124,806)
LOSS FROM OPERATIONS		<u>132,773,704</u>	<u>46,635,220</u>	<u>123,291,832</u>	<u>17,513,163</u>
		(360,494,333)	(171,676,109)	(238,315,295)	(63,611,643)
FINANCE COST		<u>(426,044,573)</u>	<u>(492,327,198)</u>	<u>(147,968,532)</u>	<u>(173,431,348)</u>
LOSS BEFORE TAXATION		(786,538,906)	(664,003,307)	(386,283,827)	(237,042,991)
PROVISION FOR TAXATION		<u>(37,209,865)</u>	<u>(33,918,306)</u>	<u>(10,304,326)</u>	<u>(12,495,342)</u>
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(823,748,771)	(697,921,613)	(396,588,153)	(249,538,333)
<b>Discontinued operations:</b>					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS		<u>(424,320,259)</u>	-	<u>(73,451,172)</u>	-
LOSS FOR THE PERIOD		<u>(1,248,069,030)</u>	<u>(697,921,613)</u>	<u>(470,039,325)</u>	<u>(249,538,333)</u>
<b>LOSS PER SHARE - BASIC AND DILUTED</b>					
- CONTINUING OPERATIONS		<u>(16.18)</u>	<u>(13.71)</u>	<u>(7.79)</u>	<u>(4.90)</u>
- DISCONTINUED OPERATIONS		<u>(8.33)</u>	-	<u>(1.44)</u>	-

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	NINE MONTHS ENDED		QUARTER ENDED	
	31 MARCH 2011 Rupees	31 MARCH 2010 Rupees	31 MARCH 2011 Rupees	31 MARCH 2010 Rupees
LOSS AFTER TAXATION	(1,248,069,030)	(697,921,613)	(470,039,325)	(249,538,333)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Impairment loss taken to profit and loss account	-	60,750,902	-	-
Surplus / (deficit) on remeasurement of available for sale investments	(29,612,430)	120,462,872	(73,304,262)	8,326,040
Surplus on sale of available for sale investments taken to profit and loss account	(104,523,268)	-	(104,523,268)	-
Deferred income tax relating to:				
surplus / (deficit) on available for sale investment	7,773,263	(29,435,918)	19,242,369	-
Other comprehensive income / (loss) for the period - net of tax	(126,362,435)	151,777,856	(158,585,161)	8,326,040
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,374,431,465)</u>	<u>(546,143,757)</u>	<u>(628,624,486)</u>	<u>(241,212,293)</u>

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

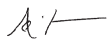
  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	31 MARCH 2011 Rupees	31 MARCH 2010 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,204,854,162)	(664,003,307)
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	188,650,307	228,245,477
Amortization of intangible asset	1,317,662	1,113,155
Dividend income	(2,076,608)	(2,076,608)
Gain on sale of operating assets	(338,686)	(8,629,555)
Gain on sale of available for sale investment	(120,232,350)	-
Impairment loss on equity investment	7,763,190	66,376,402
Finance cost	586,271,871	492,327,198
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL</b>	(543,498,776)	113,352,762
<b>(INCREASE) / DECREASE IN CURRENT ASSETS</b>		
Stores, spares and loose tools	51,174,951	17,314,129
Stock-in-trade	741,531,143	13,820,401
Trade debts	41,391,181	(18,944,899)
Loans and advances	184,924,110	(117,273,175)
Trade deposits and short term prepayments	6,080,783	(2,272,582)
Other receivables	(25,226,948)	(62,004,887)
Sales tax recoverable	44,640,912	(19,234,715)
<b>INCREASE / (DECREASE) IN CURRENT LIABILITIES</b>		
Trade and other payables	(233,816,791)	39,555,511
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>	810,699,341	(149,040,217)
<b>CASH GENERATED FROM / (UTILIZED IN) OPERATIONS</b>	267,200,565	(35,687,455)
Income tax paid	(31,474,042)	(32,495,055)
Finance cost paid	(109,377,037)	(245,387,163)
	(140,851,079)	(277,882,218)
<b>NET CASH GENERATED FROM / (UTILIZED IN) OPERATING ACTIVITIES</b>	126,349,486	(313,569,673)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(25,126,520)	(83,081,052)
Proceeds from disposal of property, plant and equipment	9,442,396	26,769,259
Dividend on equity investments received	2,076,608	2,076,608
Proceeds from disposal of short term investment	121,799,985	-
Investment in subsidiary	-	(33,370,500)
Long term security deposits	(9,069,999)	1,427,666
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	99,122,470	(86,178,019)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(271,774,450)	140,519,048
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	(271,774,450)	140,519,048
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(46,302,494)	(259,228,644)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	75,318,124	279,446,232
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	29,015,630	20,217,588

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	RESERVES				REVENUE		TOTAL EQUITY		
	CAPITAL		General	Accumulated loss	Sub-total	Total			
	Share premium	Fair value reserve						Sub-total	
Balance as at 01 July 2009 - (audited)	509,110,110	213,406,310	29,463,545	242,889,855	1,058,027,640	(922,746,949)	135,280,691	378,150,546	887,260,656
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	12,686,464	12,686,464	12,686,464	12,686,464
Total comprehensive loss for the nine months ended 31 March 2010	-	-	151,777,856	151,777,856	-	(697,921,613)	(697,921,613)	(697,921,613)	(546,143,757)
Balance as at 31 March 2010 - (Un-audited)	509,110,110	213,406,310	181,241,401	394,647,711	1,058,027,640	(1,607,982,098)	(549,954,496)	(155,306,747)	353,803,363
Total comprehensive loss for the period ended 30 June 2010	-	-	(7,927,850)	(7,927,850)	-	(434,363,709)	(434,363,709)	(434,363,709)	(442,291,559)
Balance as at 30 June 2010 - (audited)	509,110,110	213,406,310	173,313,551	386,719,861	1,058,027,640	(2,042,345,807)	(984,318,167)	(597,598,306)	(88,488,196)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	12,191,209	12,191,209	12,191,209	12,191,209
Total comprehensive loss for the nine months ended 31 March 2011	-	-	(126,362,435)	(126,362,435)	-	(1,248,069,030)	(1,248,069,030)	(1,248,069,030)	(1,374,431,465)
Balance as at 31 March 2011 - (Un-audited)	509,110,110	213,406,310	46,951,116	260,357,426	1,058,027,640	(3,278,223,628)	(2,220,193,988)	(1,959,838,562)	(1,450,728,452)

Balance as at 01 July 2009 - (audited)  
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax  
Total comprehensive loss for the nine months ended 31 March 2010  
Balance as at 31 March 2010 - (Un-audited)  
Total comprehensive loss for the period ended 30 June 2010  
Balance as at 30 June 2010 - (audited)  
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax  
Total comprehensive loss for the nine months ended 31 March 2011  
Balance as at 31 March 2011 - (Un-audited)

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

**1. THE COMPANY AND ITS OPERATIONS**

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

**1.2 GOING CONCERN ASSUMPTION**

The company incurred loss after taxation of Rupees 1,248.069 million for the current nine months ended 31 March 2011. These continuing losses have resulted in erosion of company's reserves and depletion of working capital base. In order to turn the current state of affairs around, the management devised a detailed strategy for debt restructuring. With its long experience in fabric business, the management believes that the company can benefit from its expertise in production, marketing and selling of griege and dyed fabric better than other businesses and that current circumstances warrant that the company should focus solely on its core competencies. Therefore, the revised strategy envisages full focus on its core business of greige and dyed fabric and divestment from hosiery and apparel operations.

Therefore, the management, in the first phase of its revised strategy, concluded the sale of Assets of Hosiery Division and land and building of Apparel Division with M/s Interloop Limited, on 9 April 2011, for a total consideration of PKR 1,900 million. Out of these proceeds, PKR 1,200 million was utilized to repay the bank loans and balance funds were allocated for replenishment of working capital in remaining core businesses. For restructuring of the residual debt in second phase, the company has obtained the "in principle" approval from some of the bankers for the proposed settlement and restructuring. The remaining debt is proposed to be converted into long term loan with an initial moratorium on principal repayments for two years and at a sustainable mark up rate. The management is confident that these steps will bring the company out of the existing financial crisis and it will continue as a going concern. This unconsolidated condensed interim financial information, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

**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 nine months ended 31 March 2011 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2010.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2010.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2010.

	Un-Audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	1,270,411,668	1,270,411,668
Add: Obtained during the period / year	-	-
Less: Repaid during the period / year	-	-
	<u>1,270,411,668</u>	<u>1,270,411,668</u>
Less: Current portion shown under current liabilities	<u>(984,484,172)</u>	<u>(924,362,737)</u>
	<u>285,927,496</u>	<u>346,048,931</u>
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1 CONTINGENCIES</b>		
There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2010.		
<b>6.2 Commitments</b>		
(i) Contracts for capital and revenue expenditures are amounting to Rupees Nil (30 June 2010: Rupees 0.650 million) and Rupees 49.296 million (30 June 2010: Rupees 51.383 million) respectively.		
(ii) Post dated cheques issued to suppliers are amounting to Rupees 15.089 million (30 June 2010: Rupees 27.507 million).		
<b>7. FIXED ASSETS</b>		
Property, plant and equipment		
Operating assets (Note 7.1)	3,072,889,362	5,141,148,028
Capital work in progress (Note 7.2)	31,189,694	37,590,020
Intangible assets - computer software	1,714,094	3,031,755
	<u>3,105,793,150</u>	<u>5,181,769,803</u>
<b>7.1 Operating assets</b>		
Opening book value	5,141,148,025	5,328,205,754
Cost of additions during the period / year ( Note 7.1.1)	31,526,847	141,939,659
	<u>5,172,674,871</u>	<u>5,470,145,413</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	(9,103,713)	(19,212,150)
Depreciation charged during the period / year	(188,650,307)	(309,785,235)
Classified as held for disposal at book value (Note 8)	<u>(1,902,031,489)</u>	<u>-</u>
	<u>3,072,889,362</u>	<u>5,141,148,028</u>
<b>7.1.1 Cost of additions during the period / year</b>		
Residential building		-
Factory Building	4,459,029	2,992,907
Plant and machinery	22,410,596	129,925,991
Electric installations	1,248,994	1,577,930
Furniture, fixtures and equipments	1,115,770	820,150
Vehicles	889,999	4,993,543
Computers	1,402,458	1,629,138
	<u>31,526,847</u>	<u>141,939,659</u>
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost of deletions		
Plant and machinery	39,809,212	60,837,573
Vehicles	2,923,220	11,344,481
Furniture, fixture and equipment	185,909	128,296
Computers	91,348	70,800
Less: Accumulated depreciation	43,009,689	72,381,150
Plant and machinery	32,134,767	47,969,312
Vehicles	1,669,453	5,128,218
Furniture, fixture and equipment	63,318	31,728
Computers	38,439	39,742
	<u>33,905,977</u>	<u>53,169,000</u>
	<u>9,103,713</u>	<u>19,212,150</u>

	Un-Audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>7.2 Capital work in progress</b>		
Plant and machinery	31,189,694	36,900,020
Electric installations	-	690,000
	<u>31,189,694</u>	<u>37,590,020</u>

#### 8. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>(a) Non-current assets classified as held for sale</b>		
Property, plant and equipment - Hosiery Division (Note 8.1)	1,080,384,522	-
Property, plant and equipment - Apparel Division (Note 8.2)	264,146,967	-
Surplus Industrial land (Note 8.3)	557,500,000	-
	<u>1,902,031,489</u>	<u>-</u>

(Un-audited)

Nine months ended	
31 March 2011 Rupees	31 March 2010 Rupees

#### (b) Analysis of the result of discontinued operations

##### Loss after taxation from discontinued operations

Hosiery Division (Note 8.1)	(406,606,933)	-
Apparel Division (Note 8.2)	(17,713,326)	-
	<u>(424,320,259)</u>	<u>-</u>

##### Cash flows from discontinued operations

Hosiery Division (Note 8.1)	(27,069,383)	-
Apparel Division (Note 8.2)	72,548	-
	<u>(26,996,835)</u>	<u>-</u>

A breakup of the constituents of non-current assets held for sale and discontinued operations is given as follows:

#### 8.1 Property, plant and equipment - Hosiery Division

The Board of Directors of the Company in its meeting held on 23 November 2010 resolved to dispose of the fixed assets of the Hosiery Division, which was approved by the members of the Company in the Extra-Ordinary General Meeting held on 20 January 2011. A Memorandum of Understanding for sale of assets by and between the Company, M/s Interloop Ltd. and majority shareholders of the Company was made on 24 December 2010 whereby the Company offered to sell and M/s Interloop Ltd. agreed to purchase the assets of Hosiery Division, free from any claims, demands, litigations, liens or encumbrances of any nature, for a sum of Rupees 1.5 billion. A part of the sale proceeds was to be utilized for repayment of existing liabilities towards the secured lenders. This transaction was concluded subsequently on 09 April 2011.

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>Non-current assets classified as held for sale</b>		
Residential building	42,226,955	-
Factory building	372,396,511	-
Plant and machinery	633,978,463	-
Electric installations	13,083,433	-
Furniture, fixtures and equipment	14,571,774	-
Computers	3,514,801	-
Intangible asset	612,585	-
	<u>1,080,384,522</u>	<u>-</u>

	(Un-audited)	
	Nine months ended	
	31 March 2011 Rupees	31 March 2010 Rupees
<b>Analysis of the result of discontinued operation</b>		
SALES	605,283,202	-
COST OF SALES	(742,774,717)	-
GROSS LOSS	(137,491,515)	-
DISTRIBUTION COST	(36,832,446)	-
ADMINISTRATIVE EXPENSES	(44,784,136)	-
OTHER OPERATING EXPENSES	(37,698,133)	-
	(119,314,715)	-
	<u>(256,806,230)</u>	<u>-</u>
OTHER OPERATING INCOME	16,360,298	-
LOSS FROM DISCONTINUED OPERATION	(240,445,932)	-
FINANCE COST	(160,227,298)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(400,673,231)	-
TAXATION	(5,933,703)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	<u>(406,606,933)</u>	<u>-</u>
<b>Analysis of the cash flows of discontinued operation</b>		
Operating cash flows	35,326,113	-
Investing cash flows	(8,468,493)	-
Financing cash flows	(53,927,003)	-
	<u>(27,069,383)</u>	<u>-</u>

#### 8.2 Property, plant and equipment - Apparel Division

The Board of Directors of the Company in its meeting held on 23 November 2010 also resolved to dispose of the fixed assets of Apparel Division. An Extra-Ordinary General Meeting of the members of the Company was held on 24 February 2011 for consideration and approval of the disposal of Apparel Division's factory building and surplus industrial land of the company. An Addendum to the Memorandum of understanding, referred to in note 8.1 above, has been made on 31 January 2011. Apparel Division's factory building and a portion of surplus industrial land have been included in assets being sold to M/s Interloop Ltd. and aggregate sale consideration, as agreed under the original Memorandum of Understanding dated 24 December 2010, has been enhanced to Rupees 1.9 billion. This transaction was concluded subsequently on 09 April 2011.

An active programme to locate a buyer for remaining non-current assets of Apparel Division and complete the disposal plan have been initiated. The proceeds from disposal of these remaining non-current assets classified as held for sale of Apparel Division are expected to exceed the carrying amount of these assets. The management is hopeful of completing the sale transaction within one year.

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>Non-current assets classified as held for sale</b>		
Factory building	141,121,906	-
Plant and machinery	101,128,641	-
Electric installations	7,244,919	-
Furniture, fixtures and equipment	14,116,465	-
Computers	535,036	-
	<u>264,146,967</u>	<u>-</u>

**Analysis of the result of discontinued operation**

	(Un-audited)	
	Nine months ended	
	31 March 2011	31 March 2010
	Rupees	Rupees
SALES	7,866,034	-
COST OF SALES	(25,305,908)	-
GROSS LOSS	(17,439,874)	-
DISTRIBUTION COST	(473,939)	-
ADMINISTRATIVE EXPENSES	(244,443)	-
	(718,382)	-
	(18,158,256)	-
OTHER OPERATING INCOME	516,231	-
LOSS FROM DISCONTINUED OPERATION	(17,642,025)	-
FINANCE COST	-	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(17,642,025)	-
TAXATION	(71,301)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(17,713,326)	-
<b>Analysis of the cash flows of discontinued operation</b>		
Operating cash flows	(85,853)	-
Investing cash flows	158,401	-
	72,548	-

**8.3 Surplus Industrial land**

As stated in Note 8.2 above, the Board of Directors of the Company has resolved to dispose of the surplus industrial land and an Extra-Ordinary General Meeting was held for approval of disposal by members of the Company on 24 February 2011. A portion of surplus industrial land was subsequently sold to M/s Interloop Ltd. as part of sale transaction referred to in Note 8.2 above on 09 April 2011. As regards remaining surplus industrial land, the lenders of the Company have expressed their interest in swap of their debt with surplus industrial land of the Company and necessary formalities in this regard are being completed. Management of the Company is hopeful of completing the disposal of surplus industrial land by the end of the current financial year.

**9. COST OF SALES**

	(Un-audited)	
	Nine months ended	
	31 March 2011	31 March 2010
	Rupees	Rupees
Raw material consumed	2,282,743,674	2,366,612,116
Chemical consumed	351,855,484	447,570,511
Salaries, wages and other benefits	137,491,289	207,497,542
Employee's provident fund contributions	6,068,046	8,961,583
Cloth conversion and processing charges	17,284,388	24,608,390
Fuel, oil and power	320,390,171	609,952,397
Stores, spares and loose tools	120,392,707	132,028,381
Packing material	23,475,220	63,633,027
Repair and maintenance	18,239,582	15,045,718
Insurance	4,723,887	5,265,231
Other manufacturing expenses	18,062,605	28,172,482
Depreciation	143,909,251	219,983,505
	3,444,636,304	4,129,330,883
Work-in-process inventory		
Opening stock	133,538,923	312,470,941
Closing stock	(32,577,732)	(321,179,012)
	100,961,191	(8,708,071)
Cost of goods manufactured	3,545,597,495	4,120,622,812
Cost of yarn and cloth purchased for resale	52,614,293	31,794,447
	3,598,211,788	4,152,417,259
Finished goods inventory		
Opening stock	584,673,772	631,137,184
Closing stock	(226,235,556)	(672,659,617)
	358,438,216	(41,522,433)
	3,956,650,004	4,110,894,826

**10. SEGMENT INFORMATION**

10.1 The company has three reportable business segments. The following summary describes the operation in each of the company's reportable segments:

Weaving: Production of different quality of greige fabric using yarn.

Dyeing: Processing of greige fabric for production of dyed fabric.

Power Generation: Generation and distribution of power using gas, oil and steam.

10.2 Transactions among the business segments are recorded at arms length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

	Weaving		Dyeing		Hosiery*		Power Generation		Apparel*		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) Nine Months Ended 31 March 2011	(Un-audited) 31 March 2010	(Un-audited) 31 March 2011	(Un-audited) 31 March 2010
Sales	1,038,576,383	972,437,429	2,153,791,137	2,590,042,735	527,922,698	527,922,698	285,228,962	285,228,962	10,274,092	10,274,092	-	-	3,792,367,521	4,393,995,317
- External	1,023,593,995	850,284,593	2,153,791,137	2,590,042,735	-	-	355,620,958	355,620,958	-	-	1,379,204,953	1,225,895,531	-	-
- Intra-segment	-	-	-	22,222,040	-	-	-	-	-	-	-	-	-	-
Cost of sales	2,062,160,378	1,822,722,022	2,753,791,137	2,812,264,775	527,922,698	527,922,698	355,620,968	646,617,260	10,274,092	10,274,092	(1,379,204,953)	(1,225,895,531)	3,792,367,521	4,393,995,317
Gross profit / (loss)	2,105,890,538	(1,769,327,443)	(2,742,557,890)	(2,269,279,471)	(59,991,399)	(59,991,399)	(487,408,539)	(699,244,399)	25,196,168	25,196,168	1,379,204,953	1,225,895,531	(3,956,650,004)	(4,110,894,826)
	(43,730,160)	56,894,579	11,233,257	315,985,498	-	-	(31,786,581)	(42,627,049)	(14,922,076)	(14,922,076)	-	-	(164,282,484)	(283,010,491)
Distribution cost	(36,711,945)	(47,956,720)	(175,106,151)	(179,892,953)	-	-	-	-	(2,578,465)	(2,578,465)	-	-	(21,817,696)	(280,565,086)
Administrative expenses	(39,337,688)	(33,963,591)	(55,844,689)	(43,799,359)	-	-	(13,940,348)	(16,857,837)	(1,816,074)	(1,816,074)	-	-	(108,122,725)	(142,548,811)
	76,049,234	(82,753,394)	230,950,840	(223,652,932)	-	-	(13,940,348)	(16,857,837)	(4,394,539)	(4,394,539)	-	-	320,940,421	(423,113,886)
Profit / (loss) from operations before taxation and unallocated income / expenses	(118,779,393)	(26,863,725)	(2,919,717,593)	92,332,596	-	-	(145,725,929)	(59,484,688)	(19,316,615)	(19,316,615)	-	-	(485,222,995)	(140,103,405)
Unallocated income and expenses:														
Finance cost														
Other operating expenses														
Other operating income														
Taxation														
Loss after taxation from continuing operations														
Loss after taxation from discontinued operations														
Loss after taxation														
<b>10.2 SEGMENT ASSETS</b>														
Total assets for reportable segments	1,640,415,947	2,660,008,520	2,040,494,566	2,502,319,690	1,657,199,163	909,039,644	978,316,363	317,866,157	4,589,950,157	8,116,509,893	786,093,047	575,473,663	8,691,985,556	
Unallocated Assets														
Non-current assets held for sale														
Total assets as per balance sheet														

\*The Company has discontinued the operations of Hosiery and Apparel Divisions during the nine months ended 31 March 2011. Analysis of results of these discontinued operations have been given in Note 8 to this unconsolidated condensed interim financial information.

**11. TRANSACTIONS WITH RELATED PARTIES**

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

**Subsidiary company**

Sales of goods	3,942,567	78,227
Purchase of goods	-	2,635,018
Investment made	-	52,770,500
Share deposit money	-	33,370,500

**Associated company**

Dividend income	2,076,608	2,076,608
Insurance premium paid	-	54,185

**Other related parties**

Remuneration of key management personnel	39,688,154	26,391,665
Contribution to employees' provident fund trust	12,740,027	13,051,441

**12. FINANCIAL RISK MANAGEMENT**

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2010.

**13. AUTHORIZED FOR ISSUE**

This unconsolidated condensed interim financial information was authorized for issue on 26 April 2011 by the Board of Directors of the Company.

**14. CORRESPONDING FIGURES**

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison, however, no significant reclassification has been made.



AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE



AAMIR AMIN  
DIRECTOR

**KOHINOOR MILLS LIMITED AND ITS  
SUBSIDIARY**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
31 MARCH, 2011**

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET  
AS AT 31 MARCH 2011**

	Note	(Un Audited) 31 MARCH 2011 Rupees	(Audited) 30 JUNE 2010 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
80,000,000 (30 June 2010: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2010: 30,000,000) preference shares of Rupees 10 each		<u>300,000,000</u>	<u>300,000,000</u>
		<u>1,100,000,000</u>	<u>1,100,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
50,911,011 (30 June 2010: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Reserves		<u>(2,058,977,434)</u>	<u>(678,127,614)</u>
<b>Total equity</b>		<u>(1,549,867,324)</u>	<u>(169,017,504)</u>
<b>Surplus on revaluation of operating fixed assets</b>		1,011,572,456	1,024,153,342
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	5	<u>285,927,497</u>	<u>346,048,932</u>
Deferred income tax liability		<u>47,105,939</u>	<u>92,861,746</u>
		333,033,436	438,910,678
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>1,137,195,214</u>	<u>1,381,503,518</u>
Accrued markup		971,042,210	494,147,375
Short term borrowings - secured		4,236,506,098	4,508,280,549
Current portion of long term financing		984,484,170	924,362,737
Provision for taxation		<u>91,185,413</u>	<u>55,513,164</u>
		<u>7,420,413,105</u>	<u>7,363,807,343</u>
<b>Total Liabilities</b>		<u>7,753,446,541</u>	<u>7,802,718,021</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,215,151,673</u>	<u>8,657,853,859</u>

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

	Note	(Un Audited) 31 MARCH 2011 Rupees	(Audited) 30 JUNE 2010 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	7	3,260,484,989	5,348,301,588
Goodwill		33,884,785	33,884,785
Long term security deposits		10,928,672	3,658,673
Deferred income tax asset		<u>22,248,858</u>	<u>22,248,858</u>
		<u>3,327,547,304</u>	<u>5,408,093,904</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		272,434,774	323,609,725
Stock-in-trade		399,111,574	1,155,317,441
Trade debts		733,335,335	774,726,517
Loans and advances		141,254,329	333,321,596
Trade deposits and short term prepayments		5,826,649	12,111,297
Other receivables		229,211,061	181,514,579
Sales tax recoverable		76,070,918	120,360,426
Short term investments		91,594,121	272,263,843
Cash and bank balances		<u>36,734,120</u>	<u>76,534,530</u>
		1,985,572,881	3,249,759,954
Non-current assets held for sale		1,902,031,488	-
<b>TOTAL ASSETS</b>		<u>7,215,151,673</u>	<u>8,657,853,858</u>

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**


	Note	NINE MONTHS ENDED		QUARTER ENDED	
		31 MARCH 2011	31 MARCH 2010	31 MARCH 2011	31 MARCH 2010
		Rupees	Rupees	Rupees	Rupees
<b>CONTINUING OPERATIONS:</b>					
SALES		3,923,518,363	4,542,758,262	1,140,372,032	1,393,353,215
COST OF SALES	9	(4,069,303,790)	(4,237,612,109)	(1,399,023,488)	(1,328,010,335)
GROSS PROFIT		(145,785,427)	305,146,153	(258,651,456)	65,342,880
DISTRIBUTION COST		(212,626,751)	(282,096,479)	(57,678,259)	(92,969,252)
ADMINISTRATIVE EXPENSES		(144,742,174)	(185,073,313)	(44,836,890)	(60,700,603)
OTHER OPERATING EXPENSES		(8,358,687)	(78,727,802)	(4,678,515)	(531,253)
		(365,727,612)	(545,897,594)	(107,193,664)	(154,201,108)
		(511,513,039)	(240,751,441)	(365,845,120)	(88,858,228)
OTHER OPERATING INCOME		134,036,984	47,665,295	124,189,883	18,066,088
PROFIT / (LOSS) FROM OPERATIONS		(377,476,055)	(193,086,146)	(241,655,237)	(70,792,140)
FINANCE COST		(426,319,868)	(492,327,198)	(148,243,826)	(173,050,235)
LOSS BEFORE TAXATION		(803,795,923)	(685,413,344)	(389,899,063)	(243,842,375)
PROVISION FOR TAXATION		(38,562,413)	(33,918,306)	(10,707,661)	(12,495,342)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(842,358,336)	(719,331,650)	(400,606,724)	(256,337,717)
<b>DISCONTINUED OPERATIONS:</b>					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	8	(424,320,258)	-	(73,451,171)	-
<b>LOSS AFTER TAXATION</b>		<b>(1,266,678,594)</b>	<b>(719,331,650)</b>	<b>(474,057,895)</b>	<b>(256,337,717)</b>
<b>LOSS PER SHARE - BASIC AND DILUTED</b>					
- CONTINUING OPERATIONS		(16.55)	(14.13)	(7.87)	(5.04)
- DISCONTINUED OPERATIONS		(8.33)	-	(1.44)	-

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	NINE MONTHS ENDED		QUARTER ENDED	
	31 MARCH 2011	31 MARCH 2010	31 MARCH 2011	31 MARCH 2010
	Rupees	Rupees	Rupees	Rupees
LOSS AFTER TAXATION	(1,266,678,594)	(719,331,650)	(474,057,895)	(256,337,717)
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Impairment loss taken to profit and loss account		60,750,902	-	-
Surplus / (deficit) on remeasurement of available for sale investments	(29,612,430)	120,462,872	(73,304,262)	8,326,040
Surplus on sale of available for sale investments taken to profit and loss account	(104,523,268)	-	(104,523,268)	-
Deferred income tax relating to:			19,242,369	-
surplus / (deficit) on available for sale investment	7,773,263	(29,435,918)	-	-
	(126,362,435)	151,777,856	(158,585,161)	8,326,040
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(1,393,041,029)</b>	<b>(567,553,794)</b>	<b>(632,643,056)</b>	<b>(248,011,677)</b>

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

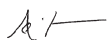
  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	NINE MONTHS ENDED	
	31 MARCH 2011	31 MARCH 2010
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,222,111,178)	(685,413,344)
Adjustment for non cash charges and other items:		
Depreciation	198,133,203	236,794,675
Amortization of intangible asset	1,848,023	1,654,188
Dividend income	(2,076,608)	(2,076,608)
(Gain) / loss on sale of operating fixed assets	(338,686)	(8,629,555)
Gain on sale of available for sale investment	(120,232,350)	-
Impairment loss on equity investment	7,763,190	66,376,402
Finance cost	586,547,166	492,327,198
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL</b>	(550,467,240)	101,032,956
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	51,174,951	17,314,129
Stock-in-trade	756,205,867	10,601,235
Trade debts	41,391,181	(18,944,899)
Loans and advances	192,067,267	(121,458,077)
Trade deposits and short term prepayments	6,284,648	(2,356,310)
Other receivables	(24,931,297)	(62,208,397)
Sales tax recoverable	44,289,508	(19,521,594)
<b>Increase / (decrease) in current liability</b>		
Trade and other payables	(244,308,300)	45,872,057
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>	<b>822,173,825</b>	<b>(150,701,855)</b>
<b>CASH GENERATED FROM / (UTILIZED IN) OPERATIONS</b>	<b>271,706,585</b>	<b>(49,668,899)</b>
Income tax paid	(32,829,373)	(32,921,210)
Finance cost paid	(109,652,329)	(245,387,163)
	(142,481,702)	(278,308,373)
<b>NET CASH GENERATED FROM / (UTILIZED IN) OPERATING ACTIVITIES</b>	<b>129,224,882</b>	<b>(327,977,272)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(23,299,827)	(99,315,172)
Proceeds from disposal of property, plant and equipment	9,442,399	26,769,259
Dividend on equity investments received	2,076,608	2,076,608
Proceed from disposal of short term investment	121,799,985	-
Long term security deposits	(7,270,005)	1,427,666
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>102,749,160</b>	<b>(69,041,639)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(271,774,452)	140,519,048
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(271,774,452)</b>	<b>140,519,048</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(39,800,410)</b>	<b>(256,499,863)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>76,534,530</b>	<b>281,229,300</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>36,734,120</b>	<b>24,729,437</b>

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


  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

	RESERVES				TOTAL EQUITY	
	SHARE CAPITAL	CAPITAL	REVENUE	Accumulated Loss	Sub-Total	Total
	Share premium	Fair value reserve	General	Sub-Total	Sub-Total	Total
	Rupees					
Balance as at 01 July 2009 - (audited)	509,110,110	213,406,310	29,463,545	242,869,855	1,058,027,640	839,211,779
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	(970,795,826)	87,231,814
Total comprehensive loss for the nine months ended 31 March 2010	-	-	-	151,777,856	(719,331,650)	12,686,464
Balance as at 31 March 2010 - (Un-audited)	509,110,110	213,406,310	181,241,401	394,647,711	(1,677,441,012)	(567,553,794)
Total comprehensive loss for the period ended 30 June 2010	-	-	(7,927,850)	(7,927,850)	(445,434,103)	(453,361,953)
Balance as at 30 June 2010 - (audited)	509,110,110	213,406,310	173,313,551	386,719,861	(2,122,875,115)	(189,017,504)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	12,191,209	12,191,209
Total comprehensive loss for the nine months ended 31 March 2011	-	-	(126,362,435)	(126,362,435)	(1,266,678,594)	(1,393,041,029)
Balance as at 31 March 2011 - (Un-audited)	509,110,110	213,406,310	46,951,116	260,357,426	(3,373,362,500)	(2,058,977,434)

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

  
AAMIR FAYYAZ SHEIKH  
CHIEF EXECUTIVE

  
AAMIR AMIN  
DIRECTOR

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

**1. THE GROUP AND ITS OPERATIONS**

**1.1 Holding company**

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

**1.2 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.

**1.3 GOING CONCERN ASSUMPTION**

The group incurred loss after taxation of Rupees 1,266.678 million for the current nine months ended 31 March 2011. These continuing losses have resulted in erosion of group's reserves and depletion of working capital base. In order to turn the current state of affairs around, the management devised a detailed strategy for debt restructuring. With its long experience in fabric business, the management believes that the holding company can benefit from its expertise in production, marketing and selling of griegre and dyed fabric better than other businesses and that current circumstances warrant that the holding company should focus solely on its core competencies. Therefore, the revised strategy envisages full focus on its core business of griegre and dyed fabric and divestment from hosiery and apparel operations.

Therefore, the management, in the first phase of its revised strategy, concluded the sale of Assets of Hosiery Division and land and building of Apparel Division with M/s Interloop Limited, on 9 April 2011, for a total consideration of PKR 1,900 million. Out of these proceeds, PKR 1,200 million was utilized to repay the bank loans and balance funds were allocated for replenishment of working capital in remaining core businesses.

For restructuring of the residual debt in second phase, the holding company has obtained the "in principle" approval from some of the bankers for the proposed settlement and restructuring. The remaining debt is proposed to be converted into long term loan with an initial moratorium on principal repayments for two years and at a sustainable mark up rate. The management is confident that these steps will bring the group out of the existing financial crisis and it will continue as a going concern. This consolidated condensed interim financial information, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Group be unable to continue as a going concern.

**2 BASIS OF PREPARATION**

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the nine months ended 31 March 2011 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2010.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2010.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2010.

	Un-Audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	1,270,411,669	1,270,411,669
Add: Obtained during the period / year	-	-
Less: Repaid during the period / year	-	-
	<u>1,270,411,669</u>	<u>1,270,411,669</u>
	<u>(984,484,172)</u>	<u>(924,362,737)</u>
	<u>285,927,497</u>	<u>346,048,932</u>
Less: Current portion shown under current liabilities		

**6 CONTINGENCIES AND COMMITMENTS**

**6.1 CONTINGENCIES**

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the group for the year ended 30 June 2010.

**6.2 Commitments**

**Holding Company**

(i) Contracts for capital and revenue expenditures are amounting to Rupees Nil (30 June 2010: Rupees 0.650 million) and Rupees 49.296 million (30 June 2010: Rupees 51.383 million) respectively.

(ii) Post dated cheques issued to suppliers are amounting to Rupees 15.089 million (30 June 2010: Rupees 27.507 million).

**Subsidiary Company**

(iii) Post dated cheques issued to suppliers are amounting to Rupees 0.759 million (30 June 2010: Rupees 4.485 million).

**7. FIXED ASSETS**

Property, plant and equipment

Operating assets (Note 7.1)	3,224,075,825	5,299,081,071
Capital work in progress (Note 7.2)	31,689,695	42,653,027
Intangible assets - computer software	4,719,469	6,567,490
	<u>3,260,484,989</u>	<u>5,348,301,588</u>

**7.1 Operating assets**

Opening book value	5,299,081,067	5,483,272,820
Cost of additions during the period / year (Note 7.1.1)	34,263,164	161,173,387
	<u>5,333,344,230</u>	<u>5,644,446,207</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	(9,103,713)	(21,576,035)
Depreciation charged during the period / year	(198,133,203)	(323,789,101)
Classified as held for disposal at book value	<u>(1,902,031,489)</u>	<u>-</u>
Closing book value	<u>3,224,075,825</u>	<u>5,299,081,071</u>

**7.1.1 Cost of additions**

Residential building	722,850	-
Factory building	4,459,029	2,992,907
Building on leasehold land	-	4,777,969
Plant and machinery	22,410,596	129,925,991
Electric installations	1,248,994	4,532,148
Furniture, fixtures and equipment	1,249,739	8,168,072
Vehicles	2,305,999	4,763,186
Computers	<u>1,865,956</u>	<u>6,013,114</u>
	<u>34,263,164</u>	<u>161,173,387</u>

**7.1.2 Book value of deletions**

Cost of deletions		
Land	-	2,800,000
Plant and machinery	39,809,212	60,837,573
Computers	91,348	9,800
Furniture and Fixture	185,909	128,296
Motor vehicles	<u>2,923,220</u>	<u>11,087,481</u>
	<u>43,009,689</u>	<u>74,734,854</u>
Less: Accumulated depreciation		
Plant and machinery	32,134,767	47,969,312
Computers	38,439	6,468
Furniture and Fixture	63,318	31,728
Motor vehicles	<u>1,669,453</u>	<u>5,183,039</u>
	<u>33,905,977</u>	<u>53,158,819</u>
	<u>9,103,713</u>	<u>21,576,035</u>

## 7.2 Capital work in progress

Land	500,000	500,000
Plant and machinery	31,189,695	36,900,021
Civil works on freehold land	-	4,563,006
Electric installations	-	690,000
	<u>31,689,695</u>	<u>42,653,027</u>

## 8. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
(a) Non-current assets classified as held for sale		
Property, plant and equipment - Hosiery Division (Note 8.1)	1,080,384,522	-
Property, plant and equipment - Apparel Division (Note 8.2)	264,146,967	-
Surplus Industrial land (Note 8.3)	557,500,000	-
	<u>1,902,031,489</u>	<u>-</u>

(Un-audited)

Nine Months Ended	
31 March 2011 Rupees	31 March 2010 Rupees

### (b) Analysis of the result of discontinued operations Loss after taxation from discontinued operations

Hosiery Division (Note 8.1)	(406,606,933)	-
Apparel Division (Note 8.2)	(17,713,326)	-
	<u>(424,320,259)</u>	<u>-</u>

### Cash flows from discontinued operations

Hosiery Division (Note 8.1)	(27,069,383)	-
Apparel Division (Note 8.2)	72,548	-
	<u>(26,996,835)</u>	<u>-</u>

A breakup of the constituents of non-current assets held for sale and discontinued operations is given as follows:

### 8.1 Property, plant and equipment - Hosiery Division

The Board of Directors of the Holding Company in its meeting held on 23 November 2010 resolved to dispose off the fixed assets of the Hosiery Division, which was approved by the members of the Holding Company in the Extra-Ordinary General Meeting held on 20 January 2011. A Memorandum of Understanding for sale of assets by and between the Holding Company, M/S Interloop Ltd. and majority shareholders of the Holding Company was made on 24 December 2010 whereby the Holding Company offered to sell and M/s Interloop Ltd. agreed to purchase the assets of Hosiery Division, free from any claims, demands, litigations, liens or encumbrances of any nature, for a sum of Rupees 1.5 billion. A part of the sale proceeds was to be utilized for repayment of existing liabilities towards the secured lenders. This transaction was concluded subsequently on 09 April 2011.

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>Non-current assets classified as held for sale</b>		
Residential building	42,226,955	-
Factory building	372,396,511	-
Plant and machinery	633,978,463	-
Electric installations	13,083,433	-
Furniture, fixtures and equipment	14,571,774	-
Computers	3,514,801	-
Intangible asset	612,585	-
	<u>1,080,384,522</u>	<u>-</u>

(Un-audited)

Nine Months Ended	
31 March 2011 Rupees	31 March 2010 Rupees

### Analysis of the result of discontinued operation

SALES	605,283,202	-
COST OF SALES	(742,774,717)	-
GROSS LOSS	(137,491,515)	-
DISTRIBUTION COST	(36,832,446)	-
ADMINISTRATIVE EXPENSES	(44,784,136)	-
OTHER OPERATING EXPENSES	(37,698,133)	-
	<u>(119,314,715)</u>	<u>-</u>
	(256,806,230)	-
OTHER OPERATING INCOME	16,360,298	-
LOSS FROM DISCONTINUED OPERATION	(240,445,932)	-
FINANCE COST	(160,227,298)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(400,673,231)	-
TAXATION	(5,933,703)	-
	<u>(406,606,933)</u>	<u>-</u>

### Analysis of the cash flows of discontinued operation

Operating cash flows	35,326,113	-
Investing cash flows	(8,468,493)	-
Financing cash flows	(53,927,003)	-
	<u>(27,069,383)</u>	<u>-</u>

### 8.2 Property, plant and equipment - Apparel Division

The Board of Directors of the Holding Company in its meeting held on 23 November 2010 also resolved to dispose of the fixed assets of Apparel Division. An Extra-Ordinary General Meeting of the members of the Holding Company was held on 24 February 2011 for consideration and approval of the disposal of Apparel Division's factory building and surplus industrial land of the Holding Company. An Addendum to the Memorandum of understanding, referred to in note 8.1 above, has been made on 31 January 2011. Apparel Division's factory building and a portion of surplus industrial land have been included in assets being sold and aggregate sale consideration, as agreed under the original Memorandum of Understanding dated 24 December 2010, has been enhanced to Rupees 1.9 billion. This transaction was concluded subsequently on 09 April 2011.

An active programme to locate a buyer for remaining non-current assets of Apparel Division and complete the disposal plan have been initiated. The proceeds from disposal of these remaining non-current assets classified as held for sale of Apparel Division are expected to exceed the carrying amount of these assets. The management of Holding Company is hopeful of completing the sale transaction within one year.

	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>Non-current assets classified as held for sale</b>		
Factory building	141,121,906	-
Plant and machinery	101,128,641	-
Electric installations	7,244,919	-
Furniture, fixtures and equipment	14,116,465	-
Computers	535,036	-
	<u>264,146,967</u>	<u>-</u>

	(Un-audited)	
	Nine Months Ended	
	31 March 2011	31 March 2010
	Rupees	Rupees
<b>Analysis of the result of discontinued operation</b>		
SALES	7,866,034	-
COST OF SALES	(25,305,908)	-
GROSS LOSS	(17,439,874)	-
DISTRIBUTION COST	(473,939)	-
ADMINISTRATIVE EXPENSES	(244,443)	-
	(718,382)	-
	(18,158,256)	-
OTHER OPERATING INCOME	516,231	-
LOSS FROM DISCONTINUED OPERATION	(17,642,025)	-
FINANCE COST	-	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(17,642,025)	-
TAXATION	(71,301)	-
	(17,713,326)	-
<b>Analysis of the cash flows of discontinued operation</b>		
Operating cash flows	(85,853)	-
Investing cash flows	158,401	-
	72,548	-

### 8.3 Surplus Industrial land

As stated in Note 8.2 above, the Board of Directors of the Holding Company has resolved to dispose of the surplus industrial land and an Extra-Ordinary General Meeting was held for approval of disposal by members of the Holding Company. A portion of surplus industrial land was subsequently sold to M/s Interloop Ltd. as part of sale transaction referred to in Note 8.2 above on 09 April 2011. As regards remaining surplus industrial land, the lenders of the Holding Company have expressed their interest in swap of their debt with surplus industrial land of the Holding Company and necessary formalities in this regard are being completed. Management of the Holding Company is hopeful of completing the disposal of surplus industrial land by the end of the current financial year.

	(Un-audited)	
	NINE MONTHS ENDED	
	31 March 2011	31 March 2010
	Rupees	Rupees
<b>9. COST OF SALES</b>		
<b>Holding Company</b>		
Raw material consumed	2,282,743,674	2,366,612,116
Chemical consumed	351,855,484	447,570,511
Salaries, wages and other benefits	137,491,289	207,497,541
Employee's provident fund contributions	6,068,046	8,961,583
Cloth conversion and processing charges	17,284,388	24,608,390
Fuel, oil and power	320,390,171	609,952,397
Stores, spares and loose tools	116,450,140	129,315,136
Packing material	23,475,222	63,633,027
Repair and maintenance	18,239,582	15,045,718
Insurance	4,723,887	5,265,231
Other manufacturing expenses	18,062,605	28,172,482
Depreciation	143,909,251	219,983,505
	3,440,693,737	4,126,617,637
Work-in-process inventory		
Opening stock	133,538,923	312,470,941
Closing stock	(32,577,732)	(321,179,012)
	100,961,191	(8,708,071)
Cost of goods manufactured	3,541,654,928	4,117,909,566
Cost of yarn and cloth purchased for resale	52,614,293	31,794,447
	3,594,269,221	4,149,704,013
Finished goods inventory		
Opening stock	584,673,772	631,137,184
Closing stock	(226,235,556)	(672,659,617)
	358,438,216	(41,522,433)
	3,952,707,437	4,108,181,580
<b>Subsidiary Company</b>		
Opening stock	35,537,776	31,009,710
Purchase during the period	101,921,629	132,649,696
	137,459,405	163,659,406
Closing stock	(20,863,052)	(34,228,877)
	116,596,353	129,430,529
Cost of sales	4,069,303,790	4,237,612,109

10. SEGMENT INFORMATION

10.1 The group has four reportable business segments. The following summary describes the operation in each of the company's reportable segments:  
 Weaving: Production of different quality of greige fabric using yarn.  
 Dyeing: Processing of greige fabric for production of dyed fabric.  
 Power Generation: Generation and distribution of power using gas, oil and steam.  
 Retail: Carrying out retail business in all types of general merchandise.  
 10.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter-segment sales and purchases have been eliminated from the total.

	Weaving		Dyeing		Hosiery*		Power Generation		Apparel*		Retail		Elimination of inter-segment transactions		Total Group	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Sales	1,038,376,343	974,474,429	2,753,791,137	2,590,042,735	-	-	299,226,362	299,226,362	1,150,842	1,027,092	148,853,945	148,853,945	-	-	3,223,518,383	4,542,759,262
- External	1,024,393,955	850,244,953	-	22,222,000	-	-	355,820,958	355,820,958	394,757	-	271,245	271,245	-	-	-	-
- Intra-group	2,062,180,378	1,822,229,476	2,753,791,137	2,612,284,735	527,922,688	527,922,688	646,726	646,726	1,024,092	1,024,092	157,608,699	157,608,699	(1,288,883,776)	(1,288,883,776)	3,223,518,383	4,542,759,262
Cost of sales	6,105,886,538	(1,786,327,463)	(2,742,567,830)	(2,269,279,271)	(557,543,153)	(487,408,539)	(689,244,303)	(689,244,303)	(25,181,081)	(25,181,081)	(128,430,827)	(128,430,827)	1,383,147,520	1,383,147,520	(4,093,303,700)	(4,237,612,108)
Gross profit / (loss)	(43,731,190)	6,946,579	11,233,267	916,865,468	(31,820,461)	(131,746,591)	(48,827,940)	(48,827,940)	(4,922,076)	(4,922,076)	18,427,116	21,193,665	-	-	(145,745,318)	305,146,154
Debitoun cost	(86,714,545)	(48,708,470)	(175,108,151)	(178,882,653)	(46,307,945)	(46,307,945)	-	-	(3,574,465)	(3,574,465)	(800,055)	(800,055)	-	-	(12,628,151)	(282,086,479)
Administrative expenses	(3,337,689)	(3,362,280)	(55,844,889)	(43,709,859)	(46,142,568)	(46,142,568)	(18,857,627)	(18,857,627)	(1,807,022)	(1,807,022)	(5,633,448)	(5,633,448)	-	-	(144,542,174)	(126,073,314)
	70,043,244	62,139,323	230,950,000	(23,692,912)	(8,450,930)	(3,940,340)	(19,857,627)	(19,857,627)	(4,385,538)	(4,385,538)	36,426,500	44,659,988	-	-	357,288,884	467,167,153
Loss from continuing operations before taxation and unallocated income and expenses	(119,778,383)	(63,863,724)	(219,717,583)	92,332,386	(127,270,969)	(145,725,929)	(99,484,686)	(99,484,686)	(19,316,615)	(19,316,615)	(17,931,447)	(17,931,447)	(21,920,228)	(21,920,228)	(500,154,452)	(166,023,639)
Unallocated income and expenses:																
Finance cost																
Other operating expenses																
Other operating income																
Taxation																
Loss after taxation from continued operations																
Loss after taxation from discontinued operations (Note 8)																
Loss after taxation																
	(428,319,668)	(432,319,668)	(8,334,887)	(79,727,802)	134,038,985	47,865,235	(39,318,306)	(657,880,111)	(842,359,339)	(718,321,659)	(62,529,238)	(62,529,238)	-	-	(1,286,628,954)	(719,381,650)

10.3 Reconciliation of reportable segments

	Weaving		Dyeing		Hosiery		Power Generation		Apparel		Retail		Total Group	
	31 March 2011	30 June 2010	31 March 2011	30 June 2010	31 March 2011	30 June 2010	31 March 2011	30 June 2010	31 March 2011	30 June 2010	31 March 2011	30 June 2010	31 March 2011	30 June 2010
Total assets for reportable segments	1,638,753,946	2,658,531,884	2,040,494,566	2,502,518,166	1,657,890,282	938,714,188	978,007,090	317,234,441	212,262,651	237,024,547	4,800,253,371	8,348,458,410	4,800,253,371	8,348,458,410
Unallocated assets											498,980,031	275,479,663	498,980,031	275,479,663
Goodwill											33,884,735	33,884,735	33,884,735	33,884,735
Non-current assets held for sale											1,907,031,493	1,907,031,493	1,907,031,493	1,907,031,493
Total assets as per balance sheet											7,245,151,674	8,657,853,896	7,245,151,674	8,657,853,896

\* The Holding Company has discontinued the operations of Hosiery and Apparel Divisions during the nine months ended 31 March 2011. Analysis of results of these discontinued operations have been given in Note 8 to this consolidated condensed interim financial information.

  
 AMIR FAYYAZ SHEIKH  
 CHIEF EXECUTIVE

11. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	NINE MONTHS ENDED	
	31 March 2011	31 March 2010
	Rupees	Rupees
<b>Associated company</b>		
Dividend income	2,076,608	2,076,608
Insurance premium paid	-	54,185
<b>Other related parties</b>		
Remuneration of key management personnel	41,416,010	26,391,665
Contribution to employees' provident fund trust	12,740,027	13,051,441

12. FINANCIAL RISK MANAGEMENT

The group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the group for the year ended 30 June 2010.

13. AUTHORIZED FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on 26 April 2011 by the Board of Directors of the Holding Group.

14. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison, however, no significant reclassification has been made.

  
 AAMIR AMIN  
 DIRECTOR