



Financial Statements
Quarter Ended
30 September 2006



KOHINOOR
TEXTILE MILLS LIMITED
A Kohinoor Maple Leaf Group Company

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Kobinor Textile Mills Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. TARIQ SAYEED SAIGOL Chairman \ Chief Executive
MR. SAYEED TARIQ SAIGOL
MR. WALEED TARIQ SAIGOL
MR. USMAN SAID
MR. ZAMIRUDDIN AZAR
MR. S. M. IMRAN
MR. ABDUL HAI MEHMOOD BHAMIA

COMPANY SECRETARY

MR. MUHAMMAD ASHRAF

AUDIT COMMITTEE

MR. ZAMIRUDDIN AZAR CHAIRMAN
MR. WALEED TARIQ SAIGOL MEMBER
MR. S. M. IMRAN MEMBER
MR. MUHAMMAD ASHRAF SECRETARY

CHIEF FINANCIAL OFFICER

MR. USMAN SAID

AUDITORS

M/S. RIAZ AHMAD & COMPANY
CHARTERED ACCOUNTANTS

MANAGER INTERNAL AUDIT

MR. AHSAN JAMEEL RATHORE

BANKERS

AL BARAKA ISLAMIC BANK B.S.C. (E.C.)
ALLIED BANK LIMITED
ASKARI COMMERCIAL BANK LIMITED
BANK ALFALAH LIMITED
FAYSAL BANK LIMITED
MCB BANK LIMITED
NATIONAL BANK OF PAKISTAN
NIB BANK LIMITED
PICIC COMMERCIAL BANK LIMITED
PRIME COMMERCIAL BANK LIMITED
THE BANK OF PUNJAB
UNITED BANK LIMITED
UNION BANK LIMITED

REGISTERED OFFICE & SHARES DEPARTMENT

42-LAWRENCE ROAD, LAHORE.
TEL: (92-042) 6302261-62
FAX: (92-042) 6368721

MILLS

- PESHAWAR ROAD, RAWALPINDI.
TEL: (92-051) 5473940-3 FAX: (92-051) 5473083
- 8TH K.M., MANGA RAIWIND ROAD, DISTRICT KASUR.
TEL: (92-042) 5391941 FAX: (92-042) 5391947
- GULYANA ROAD, GUJAR KHAN, DISTRICT RAWALPINDI.
TEL: (92-0513) 564472-73 FAX: (92-0513) 564337
WEB SITE: www.kmlg.com

DIRECTORS' REVIEW

The Directors are pleased to present un-audited accounts of the Company for the quarter ended 30th September, 2006 in compliance with the requirements of Section 245 of the Companies Ordinance 1984, as amended through Companies (Amendment) Ordinance 2002.

OPERATING AND FINANCIAL RESULTS

Effective 1st July, 2006, the Government raised the minimum wage leading to an across the board increase in workers wages and other levies by approximately 33%. Increase in rate of natural gas in the beginning of the year also impacted profit margins negatively. The continued surge in price of furnace oil has rendered thermal power generation uneconomical. The ongoing increase in financial charges continues unabated and during the period under review further increased due to rise in mark up rates and expanded funding requirements for purchase of new equipment.

The major replacements and relocation of machines was completed in the preceding year. However, slow pace of civil construction caused delay in installation of some machines leading to low utilization of the available production capacity.

Market conditions continue to remain difficult and severe competition from India, China and Bangladesh is eroding profit margins. The above factors have negatively impacted on the financial results for the period under review.

During this period, the Company registered sales of Rs. 2,026.826 million (previous corresponding period Rs. 1,622.459 million) with a gross profit of Rs. 283.996 million (previous corresponding period Rs. 239.475 million). Operating profit was recorded at Rs. 144.628 million (previous corresponding period Rs. 125.328 million). After adjusting other operating income, financial costs and provision for taxation, profit after taxation amounted to Rs. 3.742 million compared to previous corresponding period of Rs. 33.958 million.

The much awaited textile package was finally released by the Government but its benefits have yet to accrue to the textile industry. Although the package is effective since 1st July, 2006, owing to bureaucratic delays the benefits have yet to be passed on to the industry. Once released, the package will have a positive impact on the financial results and cash flow.

FUTURE PROSPECTS

The natural gas based power generation equipment commenced in the first week of October, 2006. This will reduce the cost of power generation and alleviate some of the financial burden the Company has had to face due to surge in price of furnace oil.

ACKNOWLEDGEMENT

The Directors acknowledge with thanks continued support and cooperation of the Company's members, financial institutions, customers and suppliers. The Directors also appreciate the hard work of the employees and their committed and devoted services without which progress and improved results are never possible.

For and on behalf of the Board

Lahore
28 October 2006

Chief Executive

BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Un-Audited 30-09-2006	Audited 30-06-2006
Note (Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
120,735,325 (30 June 2006 : 120,735,325) ordinary shares of Rs. 10 each	1,207,353	1,207,353
30,000,000 (30 June 2006 : 30,000,000) preference shares of Rs. 10 each	300,000	300,000
	1,507,353	1,507,353
Issued, subscribed and paid up share capital	1,058,374	1,058,374
Reserves	3,697,562	3,649,034
Shareholders' equity	4,755,936	4,707,408
NON-CURRENT LIABILITIES		
Long term financing	2,530,529	2,500,599
Term finance certificates	53,437	71,250
Liabilities against assets subject to finance lease	182,707	151,387
Deferred tax liability	53,749	53,749
	2,820,422	2,776,985
CURRENT LIABILITIES		
Trade and other payables	513,120	835,990
Accrued mark-up	117,724	80,849
Short term borrowings	2,381,676	2,236,834
Current portion of non-current liabilities	677,952	701,923
	3,690,472	3,855,596
CONTINGENCIES AND COMMITMENTS		
	-	-
	11,266,830	11,339,989
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,652,348	3,561,259
Long term investment	3,866,535	3,821,749
Long term deposits	18,906	17,564
	7,537,789	7,400,572
CURRENT ASSETS		
Stores and spares	429,614	502,870
Stock -in- trade	1,437,473	1,607,795
Trade debts	1,164,927	887,407
Advances	260,126	225,912
Security deposits and short term prepayments	24,961	20,006
Accrued interest	471	581
Other receivables	210,905	229,438
Short term investments	7,000	7,000
Taxation recoverable	13,131	21,597
Cash and bank balances	180,433	436,811
	3,729,041	3,939,417
	11,266,830	11,339,989

The annexed notes form an integral part of these financial statements.

Lahore
28 October 2006

Chief Executive

Director

PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

	Note	Quarter ended	
		30-09-2006	30-09-2005
..... (Rupees in thousand)			
Sales		2,026,826	1,622,459
Cost of sales		1,742,830	1,382,984
Gross profit		283,996	239,475
Selling and distribution expenses		108,915	84,060
Administrative expenses		28,103	27,039
Other operating expenses		2,350	3,048
		139,368	114,147
Profit from operations		144,628	125,328
Other operating income		7,015	9,311
		151,643	134,639
Finance cost		133,108	92,581
Profit before taxation		18,535	42,058
Provision for taxation		14,793	8,100
Profit after taxation		3,742	33,958
Earning per share	Rs.	0.04	0.32

The annexed notes form an integral part of these financial statements.

Lahore
28 October 2006

Chief Executive

Director

CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

	Note	Quarter ended	
		30-09-2006	30-09-2005
..... (Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	(147,281)	105,898
Finance cost paid		(96,233)	(77,208)
WPPF paid		(202)	(428)
Taxes paid		(6,327)	(11,995)
Net cash from / (used in) operating activities		(250,043)	16,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(130,133)	(130,000)
Long term deposits		(1,342)	4,443
Return on bank deposits		111	22
Proceeds from sale of property, plant and equipment		1,561	28,203
Net cash used in investing activities		(129,803)	(97,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long term financing - secured		137,500	75,008
Short term borrowing		144,842	71,076
Repayment of:			
Long term financing - secured		(124,414)	(51,288)
Finance leases		(16,629)	(29,241)
Term finance certificates		(17,813)	(17,813)
Dividend paid		(18)	(967)
Net cash from financing activities		123,468	46,775
Net decrease in cash and cash equivalents		(256,378)	(34,290)
Cash and cash equivalents at the beginning of the period		436,811	148,340
Cash and cash equivalents at the end of the period		180,433	114,050

The annexed notes form an integral part of these financial statements.

Lahore
28 October 2006

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

(Rupees in thousand)

	Reserves										Total Equity
	Capital Reserves			Reserve Reserves			Revenue Reserves				
	Share Capital Reserve	Share Premium	Fair Value Reserve	Sub - Total	General Reserve	Dividend Equalization Reserve	Un-appropriated Profit	Sub - Total	Total Reserves		
Balance as at 30 June 2005	962,158	18,901	151,855	1,429,049	1,599,805	1,090,491	9,509	136,989	1,236,989	2,836,794	3,798,952
Gain on revaluation of investment to fair value	-	-	-	1,132,334	1,132,334	-	-	-	-	1,132,334	1,132,334
Net profit for the quarter ended 30 Sep 2005	-	-	-	-	-	-	-	33,958	33,958	33,958	33,958
Balance as at 30 September 2005	962,158	18,901	151,855	2,561,383	2,732,139	1,090,491	9,509	170,947	1,270,947	4,003,086	4,965,244
Transfer to general reserves	-	-	-	-	-	100,000	-	(100,000)	-	-	-
Bonus shares issued	96,216	-	(96,216)	-	(96,216)	-	-	-	-	(96,216)	-
Surplus on revaluation of investment to fair value	-	-	(269,183)	(269,183)	(269,183)	-	-	-	-	(269,183)	(269,183)
Adjustment of fair value on disposal of investment	-	-	(252,899)	(252,899)	(252,899)	-	-	-	-	(252,899)	(252,899)
Net profit for the period ended 30 June 2006	-	-	-	-	-	-	264,246	264,246	264,246	264,246	264,246
Balance as at 30 June 2006	1,058,374	18,901	55,639	2,039,301	2,113,841	1,190,491	9,509	335,193	1,535,193	3,649,034	4,707,408
Gain on revaluation of investment to fair value	-	-	-	44,786	44,786	-	-	-	-	44,786	44,786
Net profit for the quarter ended 30 Sep 2006	-	-	-	-	-	-	-	3,742	3,742	3,742	3,742
Balance as at 30 September 2006	1,058,374	18,901	55,639	2,084,087	2,158,627	1,190,491	9,509	338,935	1,538,935	3,697,562	4,755,936

The annexed notes form an integral part of these financial statements.

Lahore

28 October 2006

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

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

2. STATEMENT OF COMPLIANCE

These periodical financial statements are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984, as amended through the Companies (Amendment) Ordinance, 2002. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the period ended 30 June 2006.

Un-Audited	Audited
30-09-2006	30-06-2006
..... (Rupees in thousand)	

4. LONG TERM FINANCING

Secured	2,523,052	2,493,122
Unsecured	7,477	7,477
	2,530,529	2,500,599

5. CONTINGENCIES AND COMMITMENTS

5.1 There has been no significant change in contingencies since the last audited financial statements.

5.2 Commitments in respect of:

- (i) Letters of credit for capital expenditure amount to Rs. 11.646 million (30 June 2006 : 55.214 million).
- (ii) Letters of credit other than for capital expenditure amount to Rs. 139.354 million (30 June 2006 : 233.386 million).

Note	Un-Audited	Audited
	30-09-2006	30-06-2006
..... (Rupees in thousand)		

6. PROPERTY, PLANT AND EQUIPMENT

6.1 Owned

Written down value at the start of the period / year		3,186,695	2,167,783
Add : Addition during the period / year	6.1(a)	70,983	1,317,527
		3,257,678	3,485,310
Less : Disposed off during the period / year	6.1(a)	765	74,401
		3,256,913	3,410,909
Less : Depreciation for the period / year		72,136	224,214
Written down value at the end of the period / year		3,184,777	3,186,695

	Un-Audited 30-09-2006	Audited 30-06-2006
Note (Rupees in thousand)	
6.2 Leased		
Written down value at the start of the period / year	285,869	388,704
Add : Addition during the period / year 6.2(a)	40,853	86,147
	326,722	474,851
Less : Disposed off during the period / year 6.2(a)	-	159,718
	326,722	315,133
Less : Depreciation for the period / year	6,967	29,264
Written down value at the end of the period / year	319,755	285,869
6.3 Capital work in progress	147,816	88,695
	3,652,348	3,561,259

Quarter ended 30 Sep 2006		Year ended 30 Jun 2006	
Additions	Deletions	Additions	Deletions
..... (Rupees in thousand)			

6.1(a) Detail of additions / deletions - Own Assets

Buildings	6,747	-	61,181	-
Plant and machinery	60,776	701	1,215,851	69,414
Service and other equipment	219	4	1,146	-
Computers	834	-	8,631	-
Furniture and fixture	604	-	4,855	24
Office equipment	71	-	879	52
Vehicles	1,732	60	24,984	4,911
	70,983	765	1,317,527	74,401

6.2(a) Detail of additions / deletions - Leased Assets

Plant and machinery	40,853	-	86,147	159,718
	40,853	-	86,147	159,718

**Un-Audited
Quarter ended**

30-09-2006 30-09-2005

..... (Rupees in thousand)

7. CASH GENERATED FROM OPERATIONS

Profit before taxation		18,535	42,058
Adjustment for non-cash charges and other items			
Depreciation		79,103	67,033
Finance cost		133,108	92,581
Gain on sale of fixed assets		(797)	(4,773)
Return on bank deposits		(1)	(22)
Provision for WPPF		976	2,213
Working capital changes 7.1		(378,205)	(93,192)
		(147,281)	105,898

7.1 Working capital changes

(Increase)/ decrease in current assets

Stores and spares	73,256	(39,929)
Stock-in-trade	170,322	52,874
Trade debts	(277,520)	(73,161)
Advances	(34,214)	14,034
Security deposits and short term prepayments	(4,955)	(10,891)
Other receivables	18,533	(53,179)
	(54,578)	(110,252)

Increase/ (decrease) in current liabilities

Trade and other payables	(323,627)	17,060
	(378,205)	(93,192)

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties and key management personnel. Detail of transaction with related parties are as follows:

	Un-Audited Quarter ended 30-09-2006	Un-Audited Quarter ended 30-09-2005
	<small>..... (Rupees in thousand)</small>	
Purchase of goods and services	426	156,609
Sale of goods and services	-	385,902

9. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 03 October 2006 have proposed 10% bonus shares amounting to Rs. 105.837 million and a transfer to general reserve amounting to Rs. 300.000 million for approval of the members at the annual general meeting to be held on 31 October 2006. The financial statements for the current quarter do not include the effect of the proposed bonus shares and transfer to general reserve.

10. AUTHORIZATION

These financial statements have been authorised for issue by the Board of Directors of the Company on 28 October 2006.

11. GENERAL

11.1 Calculation of amounts of taxation and allocation to workers' profit participation fund is provisional, based on interim financial results / status. Actual calculations and provision will be based upon financial results for the whole year.

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

Lahore
28 October 2006

Chief Executive

Director



Kobinoor Textile Mills Limited

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

		Un-Audited 30-09-2006	Audited 30-06-2006
Note (Rupees in thousand)		
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
	120,735,325 (30 June 2006 : 120,735,325) ordinary shares of Rupees 10 each	1,207,353	1,207,353
	30,000,000 (30 June 2006 : 30,000,000) preference shares of Rupees 10 each	300,000	300,000
		1,507,353	1,507,353
	Issued, subscribed and paid up share capital	1,058,374	1,058,374
	Reserves	3,024,331	2,976,797
		4,082,705	4,035,171
	Minority Interest	4,004,389	3,959,625
	Shareholders' equity	8,087,094	7,994,796
NON-CURRENT LIABILITIES			
	Long term financing	11,269,672	10,369,547
	Term finance certificates	53,437	71,250
	Liabilities against assets subject to finance lease	215,411	163,613
	Lease finance advances	48,280	74,146
	Long term deposits	2,937	2,977
	Employees benefits	10,817	12,290
	Deferred tax liability	948,312	929,358
		12,548,866	11,623,181
	CURRENT LIABILITIES		
	Trade and other payables	1,293,899	1,433,403
	Accrued mark-up	255,646	359,961
	Short term borrowings	2,794,562	3,183,994
	Taxation	24,116	10,231
	Current portion of non-current liabilities	1,715,044	1,286,584
		6,083,267	6,274,173
	CONTINGENCIES AND COMMITMENTS	-	-
		26,719,227	25,892,150
ASSETS			
NON-CURRENT ASSETS			
	Property, plant and equipment	20,711,317	19,649,764
	Long term investment	17,395	17,395
	Long term loans to employees	10,157	7,127
	Long term deposits and prepayments	39,029	33,487
	Goodwill	(231,278)	(243,450)
		20,546,620	19,464,323
CURRENT ASSETS			
	Stores and spares	2,345,805	2,350,796
	Stock -in- trade	1,624,320	1,808,741
	Trade debts	1,302,659	1,050,866
	Loans and advances	316,761	417,787
	Security deposits and short term prepayments	37,874	27,320
	Accrued Interest	498	1,140
	Other receivables	237,900	226,428
	Short term investments	7,000	7,000
	Taxation recoverable	13,131	-
	Cash and bank balances	286,659	537,749
		6,172,607	6,427,827
		26,719,227	25,892,150

The annexed notes form an integral part of these financial statements.

Lahore
28 October 2006

Chief Executive

Director



Kobinoor Textile Mills Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

	Quarter ended	
	30-09-2006	30-09-2005
 (Rupees in thousand)	
Sales	3,277,265	2,996,027
Cost of sales	2,765,187	2,239,471
Gross profit	512,078	756,556
Selling and distribution expenses	117,519	87,428
Administrative expenses	36,187	37,964
Other operating expenses	7,703	24,764
	161,409	150,156
	350,669	606,400
Other operating income	22,969	27,486
Profit from operations	373,638	633,886
Finance cost	241,232	171,031
Profit before taxation	132,406	462,855
Provision for taxation	40,108	151,045
Profit after taxation	92,298	311,810
Minority Interest		
Dividend on Preference Shares	13,306	13,306
Share in profit for the period	31,458	125,863
	44,764	139,169
Profit after taxation and Minority Interest	47,534	172,641
Earnings per Share	Rs. 0.45	1.63

The annexed notes form an integral part of these financial statements.

Lahore
28 October 2006

Chief Executive

Director



Kobinoor Textile Mills Limited

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

	Note	Quarter ended	
		30-09-2006	30-09-2005
..... (Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7.1	422,073	344,384
Finance cost paid		(345,547)	(110,417)
WPPF paid		(202)	(428)
Earned leave		(790)	(292)
Taxes paid		(20,400)	(9,484)
Net cash from operating activities		55,134	223,763
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,210,771)	(1,932,372)
Long term deposits		(812)	2,284
Long term loans to employees		(3,030)	-
Return on bank deposits		917	22
Proceeds from sale of property, plant and equipment		5,922	28,541
Net cash used in investing activities		(1,207,774)	(1,901,525)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long term advances		(40)	-
Long term financing - secured (Net)		1,368,614	1,838,765
Repayment of:			
Short term borrowing		(389,432)	-
Finance leases		(17,999)	(29,241)
Term finance certificates		(59,463)	(59,463)
Dividend paid		(130)	(1,009)
Net cash from financing activities		901,550	1,749,052
Net increase / (decrease) in cash and cash equivalents		(251,090)	71,290
Cash and cash equivalents at the beginning of the period		537,749	518,142
Cash and cash equivalents at the end of the period		286,659	589,432

The annexed notes form an integral part of these accounts.

Lahore
28 October 2006

Chief Executive

Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

(Rupees in thousand)

	Holding Company Equity											Minority Interest	Total Equity
	Capital Reserves			Reserves			Revenue Reserves			Total Reserves	Total		
	Share Capital	Capital Reserve	Share Premium	Sub - Total	General Reserve	Dividend Equalization Reserve	Un-appropriated Profit	Sub - Total	Total				
Balance as at 30 June 2005	962,158	18,901	151,855	257,694	428,450	1,090,491	9,509	944,637	2,044,637	2,473,087	3,435,245	3,415,190	6,850,435
Deficit on revaluation of investment to fair value -	-	-	-	(14,462)	(14,462)	-	-	-	-	(14,462)	(14,462)	-	(14,462)
Net profit for the quarter ended 30 September 2005	-	-	-	-	-	-	-	172,741	172,741	172,741	172,741	125,863	298,604
Balance as at 30 September 2005	962,158	18,901	151,855	243,232	413,988	1,090,491	9,509	1,117,378	2,217,378	2,631,366	3,593,524	3,541,053	7,134,577
Transfer to general reserves	-	-	-	-	-	100,000	-	(100,000)	-	-	-	-	-
Bonus shares issued	96,216	-	(96,216)	-	(96,216)	-	-	-	-	(96,216)	-	-	-
Surplus on revaluation of investment to fair value -	-	-	-	15,880	15,880	-	-	-	-	15,880	15,880	1,411	17,291
Adjustment of fair value on disposal of investments	-	-	-	(252,899)	(252,899)	-	-	-	-	(252,899)	(252,899)	-	(252,899)
Net profit for the period ended 30 June 2006	-	-	-	-	-	-	-	678,666	678,666	678,666	678,666	428,864	1,107,530
Dividend paid to minority share holders	-	-	-	-	-	-	-	-	-	-	-	(11,703)	(11,703)
Balance as at 30 June 2006	1,058,374	18,901	55,639	6,213	80,753	1,190,491	9,509	1,696,044	2,896,044	2,976,797	4,035,171	3,959,625	7,994,796
Net profit for the quarter ended 30 September 2006	-	-	-	-	-	-	-	47,534	47,534	47,534	47,534	44,764	92,298
Balance as at 30 September 2006	1,058,374	18,901	55,639	6,213	80,753	1,190,491	9,509	1,743,578	2,943,578	3,024,331	4,082,705	4,004,389	8,087,094

The annexed notes form an integral part of these financial statements.

Lahore

28 October 2006

Chief Executive

Director



Kohinoor Textile Mills Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2006
(Un-Audited)

1. THE GROUP AND ITS OPERATIONS

Holding Company

Kohinoor Textile Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at 42 - Lawrence Road, Lahore. The Company holds 50.13% shares of the subsidiary company. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trading textile products.

Subsidiary Company

Maple Leaf Cement Factory Limited ("the Subsidiary") is a public limited company, incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the subsidiary is situated at 42 - Lawrence Road, Lahore. The principal activity of the subsidiary is production and sale of cement.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and IAS 27 "Consolidated Financial Statements and Accounting for Investment in Subsidiaries". These financial statements are un-audited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the Code of Corporate Governance.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the period ended 30 June 2006.

	Un-Audited	Audited
	30-09-2006	30-06-2006
Note (Rupees in thousand)	

4. LONG TERM FINANCING

Secured	11,262,195	10,362,070
Unsecured	7,477	7,477
	<u>11,269,672</u>	<u>10,369,547</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 There has been no significant changes in contingencies since the last audited financial statements.

Guarantees issued by various commercial banks, in respect of financial and operational obligations of the subsidiary, to various institutions and corporate bodies aggregate Rupees 248.987 million (30 June 2006: Rupees 241.475 million)

5.2 Commitments in respect of:

- (i) Letters of credit for capital expenditure amount to Rupees 747.977 million (30 June 2006 : Rupees 912.508 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 1,040.220 million (30 June 2006 : Rupees 1,117.386 million).



	Un-Audited 30-09-2006	Audited 30-06-2006
Note (Rupees in thousand)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	6.1 10,318,763	10,300,354
Capital work in progress	6.2 10,063,564	9,119,098
Stores & spares held for capital expenditures	328,990	172,187
	<u>20,711,317</u>	<u>19,591,639</u>
6.1 Operating fixed assets		
Written down value at the beginning of the period / year	10,358,479	7,655,784
Add : Additions during the period / year		
Land - Freehold	-	22
Buildings	9,633	365,148
Plant and machinery	60,776	2,855,808
Service and other equipment	219	1,146
Furniture and fixture	6,982	27,815
Office equipment	71	879
Computer and IT installations	834	8,631
Quarry Equipments	-	5,566
Vehicles	1,790	49,613
Share of joint assets	154	234
Leased assets	69,866	104,722
	<u>150,325</u>	<u>3,419,584</u>
Less : Disposed off during the period / year	1,618	148,802
Less : Depreciation charged during the period / year	188,423	626,212
Written down value at the end of the period / year	<u>10,318,763</u>	<u>10,300,354</u>
6.2 Capital work in progress		
Civil works	145,074	108,248
Plant and machinery and related works	9,610,255	8,828,166
Advances to suppliers	308,235	182,684
	<u>10,063,564</u>	<u>9,119,098</u>
	Un-Audited 30-09-2006	Un-Audited Quarter ended 30-09-2005
Note (Rupees in thousand)	
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	132,406	462,855
Adjustment for non-cash charges and other items		
Depreciation	188,423	153,958
Amortization of Goodwill	(12,173)	(12,173)
Finance cost	241,232	171,031
Deferred liability for vacation benefits	1,357	815
Gain on sale of property, plant and equipment	(4,304)	(5,042)
Return on bank deposits	(275)	(22)
Provision for WPPF	976	2,213
Working capital changes	7.1 (125,569)	(429,251)
	<u>422,073</u>	<u>344,384</u>
7.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores and spares	4,991	(413,932)
Stock-in-trade	184,421	59,800
Trade debts	(251,793)	(89,842)
Advances	208,408	(38,243)
Security deposits and short term prepayments	(10,554)	(17,771)
Other receivables	17,940	(64,579)
Tax refund due from the Government	17,661	-
	<u>171,074</u>	<u>(564,567)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(296,643)	135,316
	<u>(125,569)</u>	<u>(429,251)</u>



8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties and key management personnel. Detail of transactions with related parties are as follows :

	Un-Audited Un-Audited Quarter ended	
	30-09-2006	30-09-2005
Note (Rupees in thousand)	
Purchase of goods and services	-	156,609
Sale of goods and services	-	415,175

9. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 03 October 2006 have proposed 10% bonus shares amounting to Rupees 105.837 million and a transfer to general reserve amounting to Rupees 300.000 million for approval of the members at the annual general meeting to be held on 31 October 2006. The financial statements for the current quarter do not include the effect of the proposed bonus shares and transfer to general reserve.

10. AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 28 October 2006.

11. GENERAL

11.1 Calculation of amounts of taxation and allocation to workers' profit participation fund is provisional, based on interim financial results / status. Actual calculations and provision will be based upon financial results of the whole year.

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

Lahore
28 October 2006

Chief Executive

Director

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