

# KOHINOOR MILLS LIMITED



**FIRST**  
QUARTERLY  
REPORT  
30 SEPTEMBER  
20 | 21

[www.kohinoormills.com](http://www.kohinoormills.com)

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# COMPANY INFORMATION

## Board of Directors

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Mrs. Safia Fayyaz	Director
Mr. Riaz Ahmed	Director
Mr. Shahbaz Munir	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

## Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member

## Human Resource & Remuneration Committee

Mr. Shahbaz Munir	Chairman
Mr. Riaz Ahmed	Member
Mr. Rashid Ahmed	Member

## Chief Financial Officer

Mr. Kamran Shahid

## Head of Internal Audit

Mr. Naveed Ahmad Zafar

## 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

## Bankers

Allied Bank Limited  
Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Silk Bank Limited  
Standard Chartered Bank (Pakistan) Ltd  
The Bank of Punjab  
United Bank Limited

## Registered Office & Mills

8 K.M. Manga Raiwind Road,  
District Kasur, Pakistan  
UAN: (92-42 ) 111-941-941  
CELL LINES: (92-333) 4998801-6  
LAND LINES: (92-42) 36369340  
FAX: (92-42) 36369340 Ext: 444  
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,  
37310466  
FAX: (92-42) 37358817

## Other Corporate Information

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The Registration Number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com

# FINANCIAL STATEMENTS

For the quarter ended 30 September 2021



## DIRECTORS' REVIEW

The Directors of Kohinoor Mills Limited are pleased to present the Interim financial statements for the quarter ended 30 September, 2021.

### Operating & Financial Results

During the quarter ended 30 September 2021, your company earned a gross profit of Rs. 755 million on sales of Rs. 4,543 million, compared to a gross profit of Rs. 400 million on sales of Rs. 2,651 million for the corresponding period of the previous financial year. During the period under review, your company recorded a net profit of Rs. 236.8 million (EPS: Rs. 4.65 per share), compared to a net profit of Rs. 43.2 million (EPS: Re. 0.85 per share) in the corresponding period.

### Performance Overview

A brief overview of the performance of your company for the quarter ended 30 September 2021 is discussed below:

#### Weaving Division

The weaving division was able to post growth in turnover and profitability in the current quarter under review, despite the challenges posed by the post-pandemic situation in global and local markets. The weaving division posted a gross turnover of Rs. 3,067 million as compared to a turnover of Rs. 1,834 million in the comparative quarter. The division also underwent a comprehensive BMR project during which 60 existing looms were replaced with new high-speed energy-efficient looms. This BMR project is planned to continue in the current financial year as well, whereby the remaining older looms will be replaced with newer high speed energy efficient looms. This will result in increased production capacity and will enable higher operational efficiency for the division. The management of your company is hopeful that the financial results of weaving division will continue to improve in the current financial year, as the company's investments in its people, plant and machinery continue to bear fruit.

#### Dyeing Division

Since the outbreak of the Covid-19 Pandemic, the fashion retail supply chain saw a massive transformation in consumer behavior. With the lives of the entire global population upended by the virus, there has been substantial and lasting changes in the way people live, work and shop.

The dyeing division, being part of the fashion retail supply chain, has also witnessed a challenging situation in lockdown periods. The major challenges faced by this division include unprecedented rise in raw material cost, adverse exchange rate movement and a sharp increase in ocean freight.

Due to a gradual return to normalcy following the worldwide vaccination drive, the effects of the pandemic have started to ease off and international brands have started to resume their retail operations. Resultantly, Dyeing Division witnessed a positive recovery in current quarter and posted a gross turnover of Rs. 2,779 million as compared to turnover of Rs. 1,447 million in comparative period.

#### Genertek Division

The Government of Pakistan has provided relief to exporters by providing regionally competitive electricity at 9.0 US cents/ kWh and gas at USD 6.5 /MMBTU. Further, the Government has also withheld its decision to disconnect the supply of gas to Co-generation Captive power plants. These measures have provided much needed relief to exporters of the country, however, there is still a question mark over the long-term continuity of these rates.

Moreover, due to a significant increase in international coal prices, the company had to rely more on local gas supply. These factors have caused a decline in profit margins in current quarter under

review. Your company is making diligent efforts to tackle these challenges.

The company is also committed to achieve energy efficiency in its bid to become sustainable and environmentally friendly. The installation of two new 2.5 Megawatt fuel-efficient gas engines have been completed in previous financial year and third engine is also installed in current quarter under discussion. Installation of these engines is expected to significantly bring down the generation cost of the company. The company also invested in the installation of waste heat recovery boilers along with these engines to meet electrical and thermal efficiency targets.

### Future Prospects

The management of your company continues to target new markets, focus to develop new & innovative products and explore possibilities of making operations efficient. The company will continue investing in BMR by utilizing SBP's LFTT/TERF schemes to remain competitive in the market and expect these investments will yield positive results in long run for the company and its shareholders.

In order to counter the impacts of the pandemic, the government took a number of initiatives including timely release of DLT, customs rebate and sales tax refunds, availability of borrowing at reduced rates and deferment of loans, which saved the industry immediate disastrous consequences. The decision of the government to restart the industry post Covid-19 at the right time and limit lockdowns to smart lockdowns in high risk areas, allowed the necessary manpower to run the labor intensive industry, also played a major role in the recovery of the sector. Further, the Government policy of adopting REER is believed to benefit the export oriented textile sector. However, the change in spending dynamics of people, along with incentives offered by governments in competitor countries to their textile sectors is likely to keep the profitability of Pakistan's textile industry under pressure.

The company works with brands that are financially healthy and remain committed to keeping their supply chain afloat. The management team is putting together a plan to minimize the effects of the pandemic and emerge as winners in this challenging situation. The prospective order position for the rest of the FY22 is quite promising and supportive of operating at high capacity levels. Keeping in view the aforesaid measures taken by the management, and the Government's positive action towards textile reforms, we are confident in increasing our market share in FY22. The most significance short term challenge will be to successfully navigate the global logistics crisis that had resulted in higher commodities prices, increased bottlenecks at ports, longer shipping times, and shortages of key raw materials.

### Acknowledgement

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions, customers and suppliers whose cooperation, and continued support 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 employees of the company.

For and on behalf of the Board

Kasur:  
October 26, 2021

  
Rashid Ahmed  
Chairman

  
Ismail Aamir Fayyaz  
Director

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Note	Un-audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
80,000,000 (30 June 2021: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2021: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		1,100,000,000	1,100,000,000
<b>Issued, subscribed and paid-up share capital</b>			
50,911,011 (30 June 2021: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
<b>Capital reserves</b>			
Share premium reserve		213,406,310	213,406,310
Fair value reserve		32,625,692	32,625,692
Surplus on revaluation of operating fixed assets - net of tax		2,614,282,132	2,628,073,544
<b>Revenue reserves</b>			
General reserve		788,199,282	788,199,282
Accumulated profit		1,180,810,583	930,133,905
<b>Total equity</b>		5,338,434,109	5,101,548,843
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing - secured	4	1,024,222,160	1,007,982,666
Deferred income - Government grant		396,337	396,337
Deferred liabilities		316,032,817	314,611,824
		1,340,651,314	1,322,990,827
<b>Current liabilities</b>			
Trade and other payables		2,631,638,543	2,883,469,947
Accrued mark-up		38,275,942	69,459,909
Short term borrowings - secured		3,569,214,018	3,681,196,820
Current portion of non-current liabilities		558,085,363	507,559,630
Unclaimed dividend		7,119,615	7,119,615
		6,804,333,481	7,148,805,921
<b>Total liabilities</b>		8,144,984,795	8,471,796,748
<b>Contingencies and commitments</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		13,483,418,904	13,573,345,591

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

## Statement u/s 232(1) of the Companies Act, 2017:

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

  
RIAZ AHMED  
DIRECTOR

  
KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	6	7,126,707,939	7,026,799,146
Intangible asset	7	-	-
Investment property		1,981,607	1,981,607
Long term investment		42,398,345	42,398,345
Long term deposits		65,863,457	62,528,657
		<u>7,236,951,348</u>	<u>7,133,707,755</u>
<b>Current assets</b>			
Stores, spares and loose tools		561,607,286	567,778,159
Stock-in-trade		3,128,506,564	2,915,133,657
Trade debts		762,183,450	952,761,514
Advances		280,076,442	92,590,304
Short term deposits and prepayments		68,912,426	38,509,943
Advance income tax - net		134,318,485	134,982,812
Other receivables		95,400,775	185,402,883
Sales tax recoverable		812,992,395	872,205,656
Short term investment		20,787,786	20,431,615
Cash and bank balances		381,681,947	659,841,293
		<u>6,246,467,556</u>	<u>6,439,637,836</u>
<b>TOTAL ASSETS</b>		<u><u>13,483,418,904</u></u>	<u><u>13,573,345,591</u></u>

  
ISMAIL AAMIR FAYYAZ  
 DIRECTOR



**CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS (Un-audited)**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	30 September 2021 Rupees	30 September 2020 Rupees
REVENUE		4,543,230,119	2,651,221,735
COST OF SALES	8	(3,787,944,376)	(2,250,935,562)
GROSS PROFIT		755,285,743	400,286,173
DISTRIBUTION COST		(238,114,457)	(138,147,383)
ADMINISTRATIVE EXPENSES		(99,118,549)	(80,098,056)
OTHER EXPENSES		(54,643,765)	(56,111,216)
		(391,876,771)	(274,356,655)
		363,408,972	125,929,518
OTHER INCOME		19,879,487	14,658,956
PROFIT FROM OPERATIONS		383,288,459	140,588,474
FINANCE COST		(101,397,507)	(70,669,357)
PROFIT BEFORE TAXATION		281,890,952	69,919,117
TAXATION		(45,005,686)	(26,736,300)
PROFIT AFTER TAXATION		236,885,266	43,182,817
EARNINGS PER SHARE - BASIC AND DILUTED		4.65	0.85

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

**Statement u/s 232(1) of the Companies Act, 2017:**

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



RIAZ AHMED  
DIRECTOR



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021 Rupees	30 September 2020 Rupees
PROFIT AFTER TAXATION	236,885,266	43,182,817
OTHER COMPREHENSIVE INCOME	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>236,885,266</b>	<b>43,182,817</b>

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

## Statement u/s 232(1) of the Companies Act, 2017:

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RIAZ AHMED  
DIRECTOR



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021 Rupees	30 September 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	281,890,952	69,919,117
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	83,002,824	62,207,243
Gain on sale of operating fixed assets	-	(1,074,094)
Loss on sale of operating fixed assets	5,314,137	-
Amortization of deferred grant	(1,252,262)	(889,938)
Adjustment due to impact of IFRS - 9	5,258,971	3,392,747
Finance cost	96,138,536	67,276,610
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES</b>	470,353,158	200,831,685
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	6,170,873	(67,275)
Stock-in-trade	(213,372,907)	(24,694,431)
Trade debts	190,578,064	(38,701,808)
Advances	(187,486,138)	(42,214,234)
Short term deposits and prepayments	(30,402,483)	(81,814,199)
Other receivables	90,002,108	(9,945,381)
Sales tax recoverable	59,213,261	63,252,220
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(252,187,575)	(25,773,382)
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>	(337,484,797)	(159,958,490)
<b>CASH GENERATED FROM OPERATIONS</b>	132,868,361	40,873,195
Income tax paid	(45,190,508)	26,535,517
Long term deposits	(3,334,800)	(241,700)
Finance cost paid	(125,052,361)	(65,502,575)
	(173,577,669)	(39,208,758)
<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	(40,709,308)	1,664,437
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(203,367,255)	(93,171,958)
Proceeds from sale of operating fixed assets	15,141,501	3,090,001
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(188,225,754)	(90,081,957)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	166,000,000	77,324,783
Repayment of long term financing	(103,241,482)	(24,304,875)
Short term borrowings - net	(111,982,802)	94,595,448
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	(49,224,284)	147,615,356
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(278,159,346)	59,197,836
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	659,841,293	765,949,390
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	381,681,947	825,147,226

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

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RIAZ AHMED  
DIRECTOR



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ  
DIRECTOR

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	RESERVES							TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES				
	Share premium reserve	Fair value reserve FVTOCI investment	Surplus on revaluation of operating fixed assets - net of tax	Sub Total	General reserve	Accumulated profit	Sub Total	
509,110,110	213,406,310	28,556,043	1,793,761,543	2,036,723,886	788,199,282	626,130,750	1,414,330,032	3,859,164,038
-	-	-	(9,055,030)	(9,055,030)	-	9,055,030	9,055,030	-
-	-	-	-	-	-	43,182,817	43,182,817	43,182,817
-	-	-	-	-	-	-	-	-
509,110,110	213,406,310	28,556,043	1,784,706,513	2,026,668,866	788,199,282	678,368,597	1,466,567,879	4,002,346,855
-	-	-	(27,165,098)	(27,165,098)	-	27,165,098	27,165,098	-
-	-	4,069,649	870,532,129	874,601,778	-	224,600,210	224,600,210	224,600,210
-	-	-	870,532,129	874,601,778	-	-	-	874,601,778
-	-	4,069,649	870,532,129	874,601,778	-	224,600,210	224,600,210	1,099,201,988
509,110,110	213,406,310	32,625,692	2,628,073,544	2,874,105,546	788,199,282	930,133,905	1,718,333,187	5,101,548,843
-	-	-	(13,791,412)	(13,791,412)	-	-	-	-
-	-	-	-	-	-	236,885,266	236,885,266	236,885,266
-	-	-	-	-	-	-	-	-
509,110,110	213,406,310	32,625,692	2,614,282,132	2,874,105,546	788,199,282	1,180,810,583	1,955,218,453	5,338,434,109

------(Rupees)-----

Balance as at 30 June 2020 - (audited)

Transferred from surplus on revaluation of operating fixed assets - net of tax for the quarter ended 30 September 2020  
Other comprehensive income for the quarter ended 30 September 2020  
Total comprehensive income for the quarter ended 30 September 2020

Balance as at 30 September 2020 - (Un-audited)

Transferred from surplus on revaluation of operating fixed assets - net of tax for the nine months ended 30 June 2021  
Other comprehensive income for the nine months ended 30 June 2021  
Total comprehensive income for the nine months ended 30 June 2021

Balance as at 30 June 2021 - (audited)

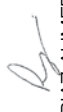
Transferred from surplus on revaluation of operating fixed assets - net of tax for the quarter ended 30 September 2021  
Other comprehensive income for the quarter ended 30 September 2021  
Total comprehensive income for the quarter ended 30 September 2021

Balance as at 30 September 2021 - (Un-audited)

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

### Statement u/s 232(1) of the Companies Act, 2017:

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



RIAZ AHMED

DIRECTOR



KAMRAN SHAHID

CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ

DIRECTOR

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

## 1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited (“the Company”) is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. 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, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate and supply electricity.

## 2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

### 3.1 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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 2021.

	Un-audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>4. LONG TERM FINANCING -SECURED</b>		
Opening balance	1,414,880,245	702,579,112
Add: Obtained during the period / year	166,000,000	872,684,872
Add: Adjustment due to impact of IFRS - 9 during the period / year	5,258,971	23,051,962
Less: Deferred income - Government grant recognized during the period / year	-	8,855,155
Less: Repaid during the period / year	103,241,482	174,580,546
	1,482,897,734	1,414,880,245
Less: Current portion shown under current liabilities	458,675,574	406,897,579
	1,024,222,160	1,007,982,666

## 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

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 2021.

### 5.2 Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 890.513 million and Rupees 103.821 million (30 June 2021: Rupees 964.324 million and Rupees 200.787 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 990.141 million (30 June 2021: Rupees 707.022 million).

	Un-audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>6. FIXED ASSETS</b>		
<b>Property, plant and equipment</b>		
Operating fixed assets (Note 6.1)	6,658,071,863	6,557,877,576
Capital work-in-progress (Note 6.2)	468,636,076	468,921,570
	7,126,707,939	7,026,799,146
<b>6.1 Operating fixed assets</b>		
Opening net book value	6,557,877,576	4,870,901,704
Add: Cost of additions during the period / year (Note 6.1.1)	203,652,749	1,118,220,458
	6,761,530,325	5,989,122,162
Less: Book value of deletions during the period / year (Note 6.1.2)	20,455,638	43,487,322
Less: Depreciation charged during the period / year	83,002,824	283,849,453
Add: Surplus on revaluation	-	896,092,189
Closing net book value	6,658,071,863	6,557,877,576

	Un-audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>6.1.1 Cost of additions</b>		
Factory building	-	6,714,739
Freehold Land	-	111,262,884
Plant and machinery	193,682,353	968,326,550
Electric installations	-	15,485,844
Furniture, fixtures and equipment	-	162,576
Computers	-	1,042,535
Motor vehicles	9,970,396	15,225,330
	<u>203,652,749</u>	<u>1,118,220,458</u>
<b>6.1.2 Book value of deletions</b>		
Plant and machinery	20,455,638	37,349,524
Motor vehicles	-	6,137,798
	<u>20,455,638</u>	<u>43,487,322</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	351,488,537	271,980,950
Plant and machinery	57,251,250	168,335,515
Electric Installation	-	11,770,463
Advances for capital expenditures	53,269,473	-
Advance against purchase of vehicle	-	11,568,000
Stores held for capital expenditures	6,626,816	5,266,642
	<u>468,636,076</u>	<u>468,921,570</u>
<b>7. Intangible asset - computer software has been fully amortized but still in the use of the Company.</b>		
	Un-audited 30 September 2021 Rupees	Un-audited 30 September 2020 Rupees
<b>8. COST OF SALES</b>		
Raw material consumed	2,798,624,774	1,527,579,974
Chemicals consumed	260,710,402	192,927,889
Salaries, wages and other benefits	170,205,478	140,752,624
Employee's provident fund contributions	6,440,535	5,517,651
Cloth conversion and processing charges	5,102,725	14,588,892
Fuel, oil and power	297,383,341	248,010,545
Stores, spares and loose tools consumed	52,278,821	49,295,414
Packing materials consumed	23,927,100	6,334,629
Repair and maintenance	9,397,199	7,831,444
Insurance	6,741,246	5,467,959
Other manufacturing expenses	19,165,195	23,161,663
Depreciation on operating fixed assets	79,323,357	58,452,276
	<u>3,729,300,173</u>	<u>2,279,920,960</u>

	Un-audited 30 September 2021 Rupees	Un-audited 30 September 2020 Rupees
<b>Work-in-process inventory</b>		
Opening stock	245,407,748	181,271,612
Closing stock	(345,420,419)	(165,984,011)
	(100,012,671)	15,287,601
Cost of goods manufactured	3,629,287,502	2,295,208,561
Cost of yarn and cloth purchased for resale	34,264,635	447,393
	3,663,552,137	2,295,655,954
<b>Finished goods inventory</b>		
Opening stock	1,648,676,602	1,226,288,778
Closing stock	(1,524,284,363)	(1,271,009,170)
	124,392,239	(44,720,392)
	3,787,944,376	2,250,935,562

## 9. SEGMENT INFORMATION (Un-audited)

9.1 The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving	Production of different qualities of greige fabric using yarn.
Dyeing	Processing of greige fabric for production of dyed fabric.
Power Generation	Generation and distribution of power and steam using gas, oil and coal.

### Quarter ended 30 September 2021

	Weaving Rupees	Dyeing Rupees	Power Generation Rupees	Total- Company Rupees
Total sale	3,066,528,408	2,778,842,860	266,954,826	6,112,326,094
Intersegment sale	(1,285,945,809)	(16,195,340)	(266,954,826)	(1,569,095,975)
External sale	1,780,582,599	2,762,647,520	-	4,543,230,119
Profit / (loss) from operation before taxation and unallocated income / expense	281,035,243	168,461,321	(11,564,339)	437,932,224
Other income and expense-net				(54,643,765)
Profit from operations				383,288,459
Finance cost				(101,397,507)
Taxation				(45,005,686)
Profit after taxation				236,885,266

### Quarter ended 30 September 2020

Total sale	1,833,830,345	1,447,125,238	203,099,196	3,484,054,779
Intersegment sale	(561,180,664)	(68,553,184)	(203,099,196)	(832,833,044)
External sale	1,272,649,681	1,378,572,054	-	2,651,221,735
Profit / (loss) from operation before taxation and unallocated income / expense	136,480,660	63,322,677	(3,103,647)	196,699,690
Other income and expense-Net				(56,111,216)
Profit from operations				140,588,474
Finance cost				(70,669,357)
Taxation				(26,736,300)
Profit after taxation				43,182,817



9.2 There is no material change in segment assets from amount disclosed in preceding audited published annual financial statements.

## 10. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Details of transactions with related parties are as follows:

	Un-audited 30 September 2021 Rupees	Un-audited 30 September 2020 Rupees
Remuneration paid to Chief Executive Officer, Directors and Executives	38,111,542	30,324,643
Contribution to employees' provident fund trust	9,383,400	7,723,613

## 11. 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 2021.

## 12. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the company did not proposed any dividend for the year ended 30 June 2021. (2020: Rs Nil per share ) on their meeting held on 22 September 2021.

## 13. AUTHORIZED FOR ISSUE

This condensed interim financial information was authorized for issue on 26 October, 2021 by the Board of Directors of the Company.

## 14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit or loss account, condensed interim statement of comprehensive income and condensed interim statement of cash flow have been compared with the balances of comparable period of immediately preceding financial year.

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

### Statement u/s 232(1) of the Companies Act, 2017:

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



RIAZ AHMED  
DIRECTOR



KAMRAN SHAHID  
CHIEF FINANCIAL OFFICER



ISMAIL AAMIR FAYYAZ  
DIRECTOR



**KOHINOOR**  
**MILLS LIMITED**

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