

KOHINOOR MILLS LIMITED



**FIRST QUARTERLY REPORT
30 SEPTEMBER 2022**

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
Ms. Imrat Aamir Fayyaz
Director
Mrs. Hajra Arham
Director
Mr. Muhammad Anwarul Haq Siddiqui
Director
Mr. Matiuddin Siddiqui
Director (NIT Nominee)

Audit Committee

Mrs. Hajra Arham
Chairman
Mr. Rashid Ahmed
Member
Mr. Muhammad Anwarul Haq Siddiqui
Member

Human Resource & Remuneration Committee

Mr. Muhammad Anwarul Haq Siddiqui
Chairman
Mr. Rashid Ahmed
Member
Mrs. Hajra Arham
Member

Chief Financial Officer

Mr. Kamran Shahid

Head of Internal Audit

Mr. Naveed Ahmed Zafar

Legal Advisors

Raja Mohammad Akram & Co.,
Advocate & Legal Consultants,
Lahore.

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
Meezan 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

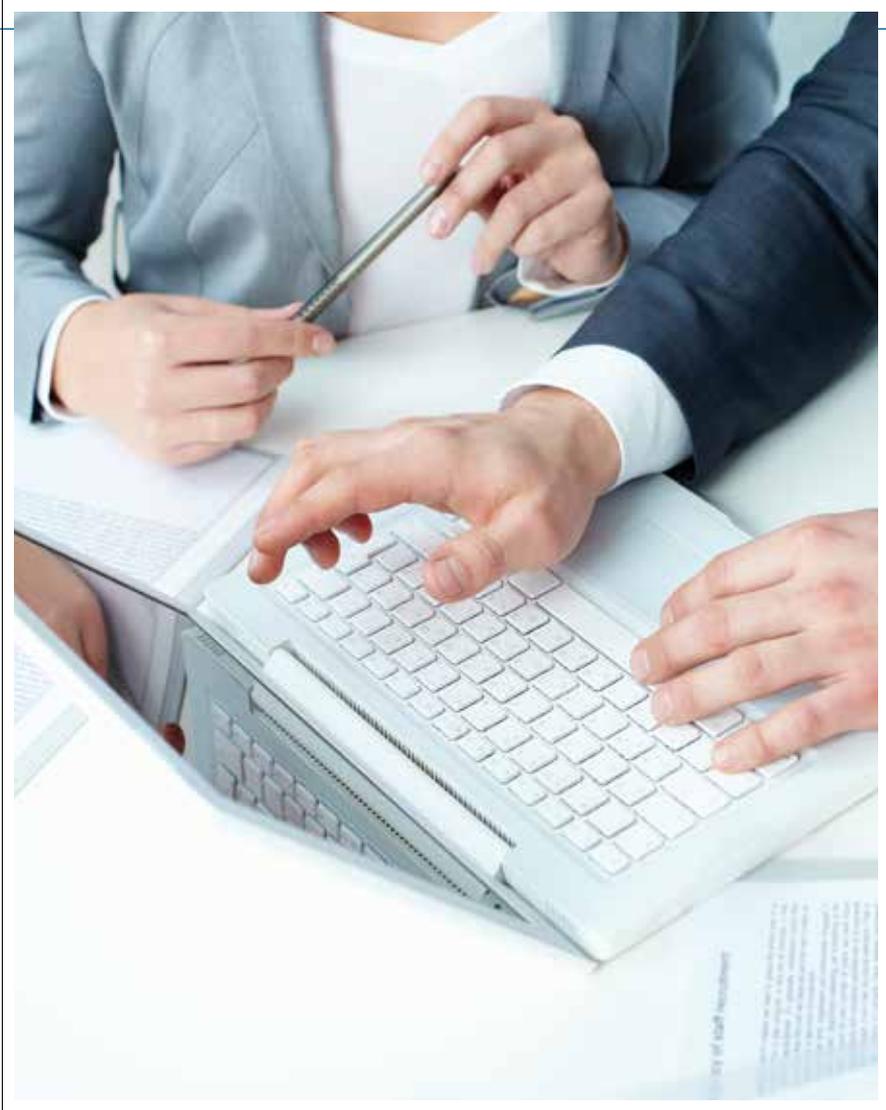
8 K.M. Manga Raiwind Road,
District Kasur, Pakistan
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Lines: (92-42) 36369340
Fax: (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website: www.kohinoormills.com

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 2022

DIRECTORS' REVIEW

The Directors of Kohinoor Mills Limited are pleased to present the Interim financial statements for the quarter ended 30 September, 2022.

Operating & Financial Results

During the quarter ended 30 September, 2022, your company earned a gross profit of Rs. 1,376 million on sales of Rs. 6,787 million, compared to a gross profit of Rs. 755 million on sales of Rs. 4,543 million for the corresponding period of the previous financial year. During the period under review, your company recorded a net profit of Rs. 405.8 million (EPS: Rs. 7.79 per share), compared to a net profit of Rs. 236.9 million (EPS: Rs. 4.65 per share), in the corresponding period.

Performance Overview

A brief overview of the performance of your company for the quarter ended 30 September 2022 is discussed below:

Weaving Division

The Weaving Division was able to achieve increased efficiency and productivity as a result of continued efforts and a comprehensive BMR project which has been underway since 2017. This resulted in the Weaving Division being able to post significant growth in turnover and profitability in the period under review. The Weaving Division posted a gross turnover of Rs. 3,844 million as compared to turnover of Rs. 3,067 million in the comparative quarter. The BMR project to replace existing older looms with high speed, energy efficient looms and install state-of-the-art supporting equipment is nearing completion. This project, along with the diligent efforts of the management team have started to bear fruit and the management expresses hope that the financial results of the Weaving Division will continue this pattern of growth.

Dyeing Division

With much of the world under Covid-19 related restrictions through 2020 and 2021, the global fashion industry has faced exceptionally challenging conditions. After nearly two years of disruption, the industry is beginning to find its feet again. High consumer demand in the post pandemic period enabled the Dyeing Division to post significant growth in turnover and profitability in the period under review. The Dyeing Division was able to increase its gross turnover by 61% from Rs. 2,779 million in the corresponding quarter of the previous financial year to Rs. 4,488 million in the current order. Gross profit was increased to Rs. 771 million from Rs. 356 million in the corresponding period of last financial year, representing an increase of 117% year on year.

The volatility experienced by global supply chains over the last two years, amidst material shortages, transportation bottlenecks and soaring shipping costs is expected to ease as the year progresses. In the current inflationary and high interest rate environment, the fashion industry continues to face headwinds. However, growth is expected as the US and other allied countries focus on diversifying their supply chains away from China in light of recent Forced Labour Laws. The Dyeing Division is ideally situated to capitalize on this very significant opportunity. We continue to follow our strategy of focusing on core competencies and diversifying our customer base to multiple countries and regions including traditional markets like the US and Europe and newer markets within Asia.

Genertek Division

On the electricity side, the Government of Pakistan continued its relief to exporters by providing electricity at 9.0 US cents/ kWh. However, there is no assurance that such regionally competitive electricity rates will continue in the long-term. On the gas side, due to the looming power crises in

the country, the Government of Pakistan rescinded the relief to exporters and increased natural gas prices from USD 6.5 /MMBTU to USD 9 /MMBTU. This has added to the ever-increasing challenge of maintaining regionally competitive energy costs. Additionally, due to our commitments to pursue greener sources of energy, the company has had to rely heavily on local gas supply and seasonal biomass fuels. These factors have caused a decline in profit margins in quarter ended 30 September, 2022. Your company continues to make steadfast efforts to tackle these challenges. These efforts include continued investment into energy efficient equipment and securing supplies of biomass based fuels.

Future Outlook

Although Pakistan has survived and recovered from the COVID-19 crisis, it faces multiple daunting tasks in FY-22 such as controlling stimulus induced fiscal deficit, curtailing widening current account deficit, managing pressure on exchange rate along with achieving a sustainable post-pandemic recovery. Pent-up demand fueled by stimulus and pandemic disruptions has accelerated inflation around the world. The situation is further exacerbated by the Ukraine War, which has stoked strong inflationary winds throughout the global economy, resulting in higher food and energy prices and new supply-chain disruptions. The effects of the devastating floods in Pakistan are also expected to add to this supply insecurity.

As part of monetary tightening, the SBP has increased interest rates on Export Finance Scheme (EFS) and Long Term Financing Facility (LTFF). The EFS has been revised from a base rate of 3% to 10% and the LTFF rate has been increased from 5% to 10%. Rising financing rates are expected to hit the bottom line profitability of the textile sector as a whole.

Going forward, the Government is eyeing US\$ 25 billion exports from the sector but domestic and global challenges are dampening this outlook. The PKR depreciation will benefit exporters to some extent, however, increasing imported raw cotton and yarn costs continue to offset the gains.

The company has already commenced work on a garment unit which is expected to start production in the last quarter of the current financial year with an estimated capacity of 5,000 garments/day, which will enable the company to reap benefits of vertical integration. The apparel division will complement our dyeing division by offering finished product to the same customer base.

The management team is also fully focused on minimizing the effects of the global slowdown in demand amid recessive pressures. The planned order position for FY-23 appears encouraging and management is hopeful of utilizing the higher capacity levels attained after modernization.

Acknowledgment

The board places on record its profound gratitude for its esteemed shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have empowered the company to make progress towards consistent improvement. During the period under review, relations between the management and employees remained cordial and we wish to put on record our appreciation for the dedication, perseverance and steadiness of the employees of the company.

For and on behalf of the Board

Kasur:
26 October, 2022.


AAMIR FAYYAZ SHEIKH
Chief Executive


IMRAT AAMIR FAYYAZ
Director

CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Un-audited 30 September 2022 Rupees	Audited 30 June 2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
80,000,000 (30 June 2022: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
30,000,000 (30 June 2022: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2022: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Capital reserves			
Share premium reserve		213,406,310	213,406,310
Fair value reserve		15,225,957	15,225,957
Surplus on revaluation of operating fixed assets - net of tax		2,550,904,587	2,564,006,429
Revenue reserves			
General reserve		788,199,282	788,199,282
Accumulated profit		2,332,572,911	1,913,672,412
Total equity		<u>6,409,419,157</u>	<u>6,003,620,500</u>
LIABILITIES			
Non-current liabilities			
Long term financing - secured	4	1,399,840,213	1,212,265,071
Deferred liabilities		336,510,705	332,346,215
		<u>1,736,350,918</u>	<u>1,544,611,286</u>
Current liabilities			
Trade and other payables		4,607,279,008	3,643,219,712
Accrued mark-up		73,802,563	71,578,017
Short term borrowings - secured		5,259,792,853	5,082,318,845
Current portion of non-current liabilities		348,508,600	523,293,032
Unclaimed dividend		7,119,615	7,119,615
		<u>10,296,502,639</u>	<u>9,327,529,221</u>
Total liabilities		<u>12,032,853,557</u>	<u>10,872,140,507</u>
Contingencies and commitments			
	5		
TOTAL EQUITY AND LIABILITIES		<u>18,442,272,714</u>	<u>16,875,761,007</u>

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


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2022 Rupees	Audited 30 June 2022 Rupees
ASSETS			
Non-current assets			
Fixed assets	6	8,133,345,465	7,912,753,661
Intangible asset	7	-	-
Investment property		1,981,607	1,981,607
Long term investments		23,429,479	23,429,479
Long term loans		20,568,095	22,252,126
Long term deposits		91,159,847	91,159,847
		<u>8,270,484,493</u>	<u>8,051,576,720</u>
Current assets			
Stores, spares and loose tools		815,768,237	768,117,752
Stock-in-trade		4,598,022,581	4,052,222,277
Trade debts		1,939,333,952	1,217,245,076
Loans and advances		546,582,510	320,700,705
Short term deposits and prepayments		89,729,987	57,457,728
Advance income tax - net		74,108,890	71,366,395
Other receivables		35,711,407	43,732,753
Sales tax recoverable		1,674,125,507	1,630,418,799
Short term investment		13,050,924	56,772,172
Cash and bank balances		385,354,226	606,150,630
		<u>10,171,788,221</u>	<u>8,824,184,287</u>
TOTAL ASSETS		<u><u>18,442,272,714</u></u>	<u><u>16,875,761,007</u></u>


IMRAT AAMIR FAYYAZ
 DIRECTOR

**CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS (Un-audited)**
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	Note	30 September 2022 Rupees	30 September 2021 Rupees
REVENUE		6,786,706,071	4,543,230,119
COST OF SALES	8	(5,410,661,459)	(3,787,944,376)
GROSS PROFIT		1,376,044,612	755,285,743
DISTRIBUTION COST		(371,015,891)	(238,114,457)
ADMINISTRATIVE EXPENSES		(142,761,128)	(99,118,549)
OTHER EXPENSES		(233,777,010)	(54,643,765)
		(747,554,029)	(391,876,771)
		628,490,583	363,408,972
OTHER INCOME		34,827,967	19,879,487
PROFIT FROM OPERATIONS		663,318,550	383,288,459
FINANCE COST		(189,297,105)	(101,397,507)
PROFIT BEFORE TAXATION		474,021,445	281,890,952
TAXATION		(68,222,788)	(45,005,686)
PROFIT AFTER TAXATION		405,798,657	236,885,266
EARNINGS PER SHARE - BASIC AND DILUTED		7.97	4.65

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



IMRAT AAMIR FAYYAZ
DIRECTOR

CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	30 September 2022 Rupees	30 September 2021 Rupees
PROFIT AFTER TAXATION	405,798,657	236,885,266
Items that will not be reclassified to profit or loss:		
(Deficit) / surplus arising on remeasurement of investment at fair value through other comprehensive income	-	-
Deferred income tax relating to this item	-	-
Surplus on revaluation of operating fixed assets	-	-
Deferred income tax relating to this item	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss) / income for the year - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	405,798,657	236,885,266

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


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER


IMRAT AAMIR FAYYAZ
DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	30 September 2022 Rupees	30 September 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	474,021,445	281,890,952
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	96,002,319	83,002,824
Dividend income	(2,317,759)	-
Gain on sale of operating fixed assets	(18,282,009)	-
Loss on sale of operating fixed assets	-	5,314,137
Amortization of deferred grant	-	(1,252,262)
Adjustment due to impact of IFRS - 9	4,593,944	5,258,971
Finance cost	184,703,160	96,138,536
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL CHANGES		
	738,721,100	470,353,158
(Increase) / decrease in current assets		
Stores, spares and loose tools	(47,650,485)	6,170,873
Stock-in-trade	(545,800,304)	(213,372,907)
Trade debts	(722,088,876)	190,578,064
Loans and Advances	(225,881,805)	(187,486,138)
Shot Trade deposits and pre prepayments	(32,272,259)	(30,402,483)
Other receivables	8,021,346	90,002,108
Sales tax recoverable	(43,706,708)	59,213,261
Increase / (decrease) in current liabilities		
Trade and other payables	887,521,480	(252,187,575)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES		
	(721,857,611)	(337,484,797)
CASH GENERATED FROM OPERATIONS		
	16,863,489	132,868,361
Income tax paid	(71,780,990)	(45,190,508)
Long term deposits	-	(3,334,800)
Long term loans received	1,684,031	-
Finance cost paid	(177,498,417)	(125,052,361)
	(247,595,376)	(173,577,699)
NET CASH USED IN OPERATING ACTIVITIES		
	(230,731,887)	(40,709,308)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(347,960,064)	(203,367,255)
Investment disposed off	43,721,248	-
Proceeds from sale of operating fixed assets	49,647,950	15,141,501
Dividend received	2,317,759	-
	(252,273,107)	(188,225,754)
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	211,800,000	166,000,000
Repayment of long term financing	(127,065,418)	(103,241,482)
Short term borrowings - net	177,474,008	(111,982,802)
	262,208,590	(49,224,284)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		
	(220,796,404)	(278,159,346)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	606,150,630	659,841,293
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	385,354,226	381,681,947

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


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER


IMRAT AAMIR FAYYAZ
DIRECTOR

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

FOR THE QUATER ENDED 30 SEPTEMBER 2022

	RESERVES							TOTAL EQUITY	
	SHARE CAPITAL			CAPITAL RESERVES		REVENUE RESERVES			
	Share premium reserve	Fair value reserve FV(TOCI) investments - net of tax	Surplus on revaluation of operating fixed assets - net of tax	Sub Total	General reserve	Accumulated profit	Sub Total		
	RUPEES								
Balance as at 01 July 2021 - (Audited)	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
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	(13,791,412)	(13,791,412)	(13,791,412)	-	13,791,412	13,791,412	-
Profit for the quarter ended 30 September 2021	-	-	-	-	-	-	236,885,266	236,885,266	-
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)	509,110,110	213,406,310	32,625,692	2,614,282,132	2,860,314,134	788,199,282	1,180,810,683	1,969,009,865	5,338,434,109
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	(41,374,241)	(41,374,241)	(41,374,241)	-	41,374,241	41,374,241	-
Profit for the nine months ended 30 June 2022	-	-	(17,399,735)	(8,901,462)	(26,301,197)	-	691,487,588	691,487,588	691,487,588
Other comprehensive income for the nine months ended 30 June 2022	-	-	(17,399,735)	(8,901,462)	(26,301,197)	-	-	-	(26,301,197)
Total comprehensive income for the nine months ended 30 June 2022	-	-	(17,399,735)	(8,901,462)	(26,301,197)	-	691,487,588	691,487,588	665,186,391
Balance as at 30 June 2022 - (Audited)	509,110,110	213,406,310	15,225,957	2,564,006,429	2,792,638,696	788,199,282	1,913,672,412	2,701,871,694	6,003,620,500
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	(13,101,842)	(13,101,842)	(13,101,842)	-	13,101,842	13,101,842	-
Profit for the quarter ended 30 September 2022	-	-	-	-	-	-	405,798,657	405,798,657	405,798,657
Other comprehensive income for the quarter ended 30 September 2022	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2022	-	-	-	-	-	-	405,798,657	405,798,657	405,798,657
Balance as at 30 September 2022 - (Un-audited)	509,110,110	213,406,310	15,225,957	2,550,904,587	2,779,536,854	788,199,282	2,332,572,911	3,120,772,193	6,409,419,157

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


AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER


IMRAT AAMIR FAYYAZ
DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 2022.

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 2022.

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 2022.

	Un-audited 30 September 2022 Rupees	Audited 30 June 2022 Rupees
4. LONG TERM FINANCING -SECURED		
Opening balance	1,658,623,951	1,414,880,245
Add: Obtained during the period / year	211,800,000	781,115,857
Add: Adjustment due to impact of IFRS - 9 during the period / year	4,593,944	20,367,932
Less: Repaid during the period / year	127,065,418	557,740,083
	<u>1,747,952,477</u>	<u>1,658,623,951</u>
Less: Current portion shown under current liabilities	348,112,264	446,358,880
	<u>1,399,840,213</u>	<u>1,212,265,071</u>

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 2022.

5.2 Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 615.114 million and Rupees 121.155 million (30 June 2022: Rupees 663.531 million and Rupees 193.514 million) respectively.
- (ii) Post dated cheques issued to suppliers are amounting to Rupees 1,522.356 million (30 June 2022: Rupees 1,052.561 million).

	Un-audited 30 September 2022 Rupees	Audited 30 June 2022 Rupees
6. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 6.1)	7,538,561,012	7,147,998,813
Capital work-in-progress (Note 6.2)	594,784,453	764,754,848
	<u>8,133,345,465</u>	<u>7,912,753,661</u>
6.1 Operating fixed assets		
Opening net book value	7,147,998,812	6,557,877,576
Add: Cost of additions during the period / year (Note 6.1.1)	517,930,460	1,068,470,260
	<u>7,665,929,272</u>	<u>7,626,347,836</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	31,365,941	118,978,488
Less: Depreciation charged during the period / year	96,002,319	359,370,536
Closing net book value	<u>7,538,561,012</u>	<u>7,147,998,812</u>

	Un-audited 30 September 2022 Rupees	Audited 30 June 2022 Rupees
6.1.1 Cost of additions		
Residential building	-	7,790,506
Factory building	-	12,355,783
Freehold land	-	244,550,909
Plant and machinery	476,342,623	749,692,468
Electric installations	2,948,584	25,013,290
Furniture, fixtures and equipment	-	5,256,302
Computers	1,480,891	-
Motor vehicles	37,158,362	23,811,002
	<u>517,930,460</u>	<u>1,068,470,260</u>
6.1.2 Book value of deletions		
Plant and machinery	26,485,623	115,525,440
Motor vehicles	4,880,318	3,453,048
	<u>31,365,941</u>	<u>118,978,488</u>
6.2 Capital work-in-progress		
Buildings	530,885,498	400,215,700
Plant and machinery	26,119,674	331,312,116
Advance against purchase of land	-	800,000
Electric installation	-	2,797,028
Advance against purchase of vehicle	-	15,627,000
Stores held for capital expenditures	37,779,281	14,003,004
	<u>594,784,453</u>	<u>764,754,848</u>
7. Intangible asset - computer software has been fully amortized but still in the use of the Company.		
	Un-audited 30 September 2022 Rupees	Un-audited 30 September 2021 Rupees
8. COST OF SALES		
Raw material consumed	4,215,909,771	2,798,624,774
Chemicals consumed	402,989,242	260,710,402
Salaries, wages and other benefits	223,685,720	170,205,478
Employee's provident fund contributions	7,677,305	6,440,535
Cloth conversion and processing charges	44,317,800	5,102,725
Fuel, oil and power	509,603,251	297,383,341
Stores, spares and loose tools consumed	62,125,161	52,278,821
Packing materials consumed	34,409,023	23,927,100
Repair and maintenance	20,044,042	9,397,199
Insurance	9,714,524	6,741,246
Other manufacturing expenses	29,100,634	19,165,195
Depreciation on operating fixed assets	79,652,619	79,323,357
	<u>5,639,229,092</u>	<u>3,729,300,173</u>
Work-in-process inventory		
Opening stock	447,555,892	245,407,748
Closing stock	(521,427,048)	(345,420,419)
	<u>(73,871,156)</u>	<u>(100,012,671)</u>
Cost of goods manufactured	5,565,357,936	3,629,287,502
Cost of yarn and cloth purchased for resale	81,905,672	34,264,635
	<u>5,647,263,608</u>	<u>3,663,552,137</u>
Finished goods inventory		
Opening stock	2,068,681,756	1,648,676,602
Closing stock	(2,305,283,905)	(1,524,284,363)
	<u>(236,602,149)</u>	<u>124,392,239</u>
	<u>5,410,661,459</u>	<u>3,787,944,376</u>

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.

9.2 Quarter ended 30 September 2022

	Weaving	Dyeing	Power Generation	Total- Company
	Rupees	Rupees	Rupees	Rupees
Total sale	3,844,129,123	4,488,282,500	313,493,571	8,645,905,194
Intersegment sale	(1,448,186,783)	(97,518,769)	(313,493,571)	(1,859,199,123)
External sale	<u>2,395,942,340</u>	<u>4,390,763,731</u>	<u>-</u>	<u>6,786,706,071</u>
Profit / (loss) from operation before taxation and unallocated income / expense	<u>435,871,446</u>	<u>489,629,078</u>	<u>(28,404,963)</u>	<u>897,095,560</u>
Other income and expense-net				(233,777,010)
Profit from operations				663,318,550
Finance cost				(189,297,105)
Taxation				<u>(68,222,788)</u>
Profit after taxation				<u>405,798,657</u>

Quarter ended 30 September 2021

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	<u>1,780,582,599</u>	<u>2,762,647,520</u>	<u>-</u>	<u>4,543,230,119</u>
Profit / (loss) from operations before taxation and unallocated income / expenses	<u>281,035,243</u>	<u>168,461,321</u>	<u>(11,564,339)</u>	<u>437,932,225</u>
Other income and expense-net				(54,643,765)
Profit from operations				383,288,459
Finance cost				(101,397,507)
Taxation				<u>(45,005,686)</u>
Profit after taxation				<u>236,885,266</u>

9.3 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. Detail of transactions with related parties are as follows:

	Un-audited 30 September 2022 Rupees	Un-audited 30 September 2021 Rupees
Remuneration paid to Chief Executive Officer, Directors and Executives	42,037,140	38,111,542
Contribution to employees' provident fund trust	11,210,876	9,383,400

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 2022.

12. AUTHORIZED FOR ISSUE

This condensed interim financial information was authorized for issue on 26 October 2022 by the Board of Directors of the Company.

13. 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.



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



IMRAT AAMIR FAYYAZ
DIRECTOR



**KOHINOOR
MILLS LIMITED**

8-Kilometer, Manga Raiwind Road,
District Kasur, Pakistan

