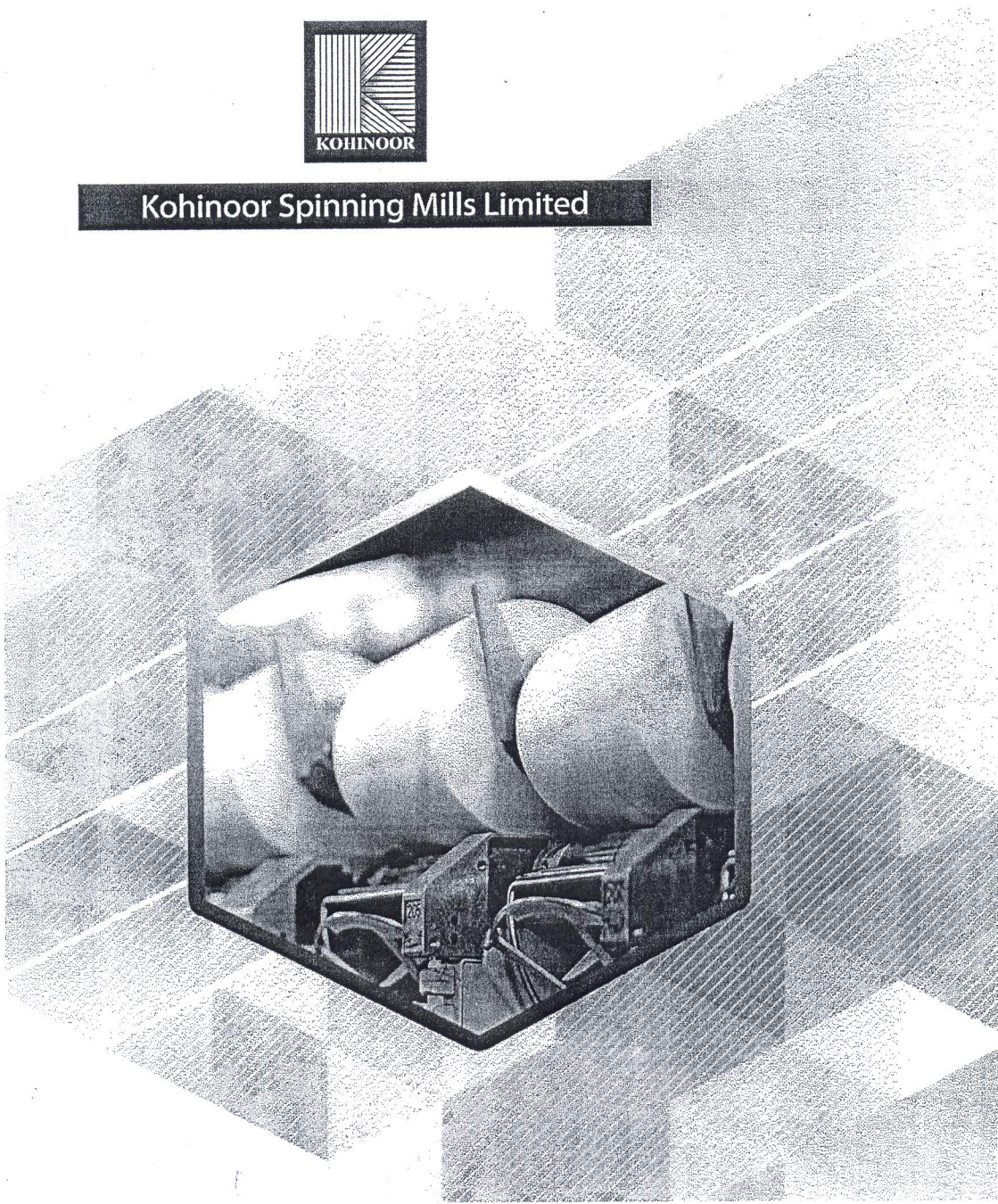


# QUARTERLY REPORT

UN-AUDITED  
1st Quarter Ended  
September 30, 2021



**Kohinoor Spinning Mills Limited**



## COMPANY INFORMATION

### BOARD OF DIRECTOR

Khawaja Mohammad Jahangir	(Chairman)
Mohammad Naveed	(Chief Executive)
Khawaja Mohammad Tanveer	(Director)
Khawaja Mohammad Kaleem	(Director)
Mohammad Hamza Yousaf	(Director)
Aqsa Jahangir	(Director)
Faisal Qaiyum	(Independent Director)
Fiza Farhan	(Independent Director)

### AUDIT COMMITTEE

Faisal Qaiyum	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Aqsa Jahangir	(Member)

### HR & REMUNERATION COMMITTEE

Faisal Qaiyum	(Chairman)
Khawaja Mohammad Jahangir	(Member)
Khawaja Mohammad Kaleem	(Member)

### CORPORATE SECRETARY

Hasan Ahmad Khan ACA

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Saeed Zafar M.B.A

### BANKERS

Habib Metro Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Allied Bank of Pakistan  
Meezan Bank Limited  
Askari Bank Limited  
Saudi Pak Industrial and Agricultural Investment Company

### AUDITOR

Nasir Javaid Maqsood Imran  
Chartered Accountants  
Office # 17, 2nd Floor, Hill View Plaza,  
Above Fresco Sweets, Blue Area,,  
Islamabad, Pakistan.

### CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore  
Tel : (042) 35717510  
Fax : (042) 35755760

### SHARE REGISTRARS

Corplink (Pvt) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore  
Tel : (042) 35839182  
Fax : (042) 35869037

### MILLS

#### Unit I & II

Aminabad, Chakwal  
Tel : (0543) 644254 – 644281

#### Unit III

Yousaf Nagar, Bhoun Road,  
Chakwal.  
Tel: (0543)452070-71

## DIRECTORS' REPORT

On behalf of the Directors of Kohinoor Spinning Mills Limited, it is our pleasure to present three months accounts for the period ended 30<sup>th</sup> September 2021.

Your Company has incurred a net loss of Rs.75 million as compared to a net loss of Rs. 87 million for the corresponding period last year. The sales of the Company has reduced from Rs. 692 million to Rs. 562 million for the corresponding period last year. However, due to implementation of better spin plan, our gross loss ratio remained almost same. The directors of the Company have injected funds worth Rs. 20 M in the Company to run it smoothly in this quarter as well. This would build confidence among the shareholders and creditors of the Company.

Pak Rupee is devaluing day by day against US \$. It has crossed 175 mark and reversed to 172. Our imported raw material, machinery, parts and even energy become costly with the rise in US \$. Under IMF pressure, the Government is reducing its subsidies and tax exemptions. Coming months are quite tough for all of us. Inflationary pressure would force public to spend more on dire needs and less on clothing. The result would be less demand in local market. In our opinion, remaining period of current fiscal year would be tough for textile companies, like us, who are catering to local demand only.

One of the directors have once again requested that the amount borrowed by the Company from him should be returned to him due to his personal needs. However, remaining directors have requested him to drop this demand for the time being as the Company is still in crises.

In the end, we assure you that the management will continue its efforts to improve the overall performance of the Company through increased productivity, cost control and by devising optimal production strategies.



Lahore:  
30 October 2021

**Khawaja Mohammad Jahangir**  
(Chairman)



**Mohammad Naveed**  
(Chief Executive Officer)

## ڈائریکٹرز رپورٹ


ہم کوہ نور سپیننگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کے اختتام شدہ سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

کمپنی کا مجموعی خسارہ پچھلے سال کے اسی دورانیے کے مبلغ 87 ملین روپے کے مقابلے میں مبلغ 75 ملین روپے رہا۔ کمپنی کی فروخت پچھلے سال کے اسی دورانیے کی نسبت مبلغ 692 ملین روپے سے کم ہو کر مبلغ 562 ملین روپے ہو گئی۔ تاہم بہترین منصوبے کے نفاذ سے ہماری خام منافع کی شرح تقریباً وہی رہی ہے۔ کمپنی کے ڈائریکٹرز نے اس سہ ماہی میں بھی مبلغ بیس ملین روپے کے فنڈز دیے تاکہ کمپنی کو بہتر انداز سے چلایا جاسکے۔ اس سے کمپنی کے حصص یافتگان اور قرض دہندگان میں اعتماد پیدا ہوگا۔


پاکستانی روپیہ امریکی ڈالر کے مقابلے میں دن بہ دن گراؤ کا شکار ہے۔ اس نے پہلے 175 کا ہندسہ عبور کیا اور 172 پر واپس آیا۔ ہمارے خام مال، مشینری، پارٹس اور حتیٰ کہ بجلی بھی امریکی ڈالر کے بڑھنے کے ساتھ مہنگے ہو جاتے ہیں۔ آئی ایم ایف کے دباؤ میں حکومت سبسڈی اور ٹیکس استثنیٰ کو کم کر رہی ہے۔ مہنگائی کا دباؤ عوام کو شدید ضروریات زندگی پر خرچ کرنے پر مجبور کرے گا جبکہ ملبوسات پر کم خرچ ہوگا۔ اس کا نتیجہ مقامی منڈی میں کم ڈیمانڈ ہوگی۔ ہمارے خیال میں موجودہ مالی سال کا بقایا عرصہ ہمارے جیسی ٹیکسٹائل کمپنیوں کیلئے مشکل ہوگا جو صرف مقامی ڈیمانڈ کو پورا کرتی ہیں۔

ڈائریکٹروں میں سے ایک نے ایک دفعہ پھر درخواست کی ہے کہ انہوں نے کمپنی کو جو قرضہ دیا تھا وہ واپس کیا جائے کیونکہ انہیں ذاتی ضروریات کیلئے رقم درکار ہے۔ تاہم باقی ڈائریکٹرز نے ان سے درخواست کی ہے کہ اپنا مطالبہ فی الحال ملتوی کر دیں کیونکہ کمپنی ابھی تک بحران میں ہے۔

آخر میں ہم آپ کو یقین دلاتے ہیں کہ انتظامیہ بڑھتی ہوئی پیداواری صلاحیت، اضافی لاگت پر قابو پانے اور پیداوار کی زیادہ سے زیادہ حکمت عملی واضح کر کے مجموعی کارکردگی کو بہتر بنانے کیلئے اپنی تمام تر کوششیں جاری رکھے گی۔

  
محمد نوید

(چیف ایگزیکٹو آفیسر)

  
خواجہ محمد جہانگیر

(چیرمین)

لاہور

30 اکتوبر 2021

**KOHINOOR SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021 (UN-AUDITED)**

	Notes	Un-Audited September 30, 2021 (Rupees)	Audited June 30, 2021 (Rupees)		Note	Un-Audited September 30, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
<b>EQUITY AND LIABILITIES</b>							
<b>Share Capital and Reserves</b>							
Authorised Capital		<u>1,500,000,000</u>	<u>1,500,000,000</u>				
300,000,000 (June 30, 2020 - 300,000,000) ordinary shares of Rs.5 each							
Issued, subscribed and paid up capital		<u>1,078,571,425</u>	<u>1,078,571,425</u>				
215,714,285 (June 30, 2020 - 215,714,285) ordinary shares of Rs.5 each		<u>(2,246,162,266)</u>	<u>(2,170,842,000)</u>				
Reserves	5	<u>(1,167,590,841)</u>	<u>(1,092,270,575)</u>				
<b>NON-CURRENT LIABILITIES</b>							
Long term Loans		<u>595,474,259</u>	<u>575,210,259</u>				
Deferred liabilities		<u>42,176,173</u>	<u>45,064,213</u>				
<b>CURRENT LIABILITIES</b>		<u>637,650,432</u>	<u>620,274,472</u>				
Trade and other payables		<u>687,111,711</u>	<u>594,767,783</u>				
Accrued Interest on loans and borrowings		<u>471,877,939</u>	<u>471,877,939</u>				
Short-term borrowings		<u>1,463,142,972</u>	<u>1,463,142,972</u>				
Current portion of long term long		<u>364,705,882</u>	<u>364,705,882</u>				
Suppliers credit		<u>165,601,168</u>	<u>165,601,168</u>				
Un-claimed dividend		<u>1,915,117</u>	<u>1,915,117</u>				
Provision for taxation		<u>28,054,420</u>	<u>28,014,232</u>				
		<u>3,182,409,209</u>	<u>3,090,025,092</u>				
<b>ASSETS</b>							
<b>NON CURRENT ASSETS</b>							
Property, plant and equipment		<u>1,574,738,859</u>	<u>1,594,114,680</u>		6	<u>1,619,324,412</u>	<u>1,638,783,394</u>
Long term deposits		<u>44,221,312</u>	<u>44,221,312</u>			<u>364,241</u>	<u>447,401</u>
Long term investments		<u>364,241</u>	<u>1,638,783,394</u>				
<b>CURRENT ASSETS</b>		<u>1,619,324,412</u>	<u>1,638,783,394</u>				
Stores and spares		<u>15,777,472</u>	<u>24,687,499</u>			<u>810,827,514</u>	<u>798,335,748</u>
Stock-in-trade		<u>810,827,514</u>	<u>798,335,748</u>			<u>154,781,860</u>	<u>112,761,783</u>
Trade debts		<u>154,781,860</u>	<u>112,761,783</u>			<u>45,805,527</u>	<u>40,984,456</u>
Loans and advances		<u>45,805,527</u>	<u>40,984,456</u>			<u>5,952,315</u>	<u>2,476,109</u>
Cash and bank balances		<u>5,952,315</u>	<u>2,476,109</u>			<u>1,033,144,388</u>	<u>979,245,596</u>
		<u>2,652,468,800</u>	<u>2,618,028,990</u>			<u>2,652,468,800</u>	<u>2,618,028,990</u>

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

Lahore,  
October 30, 2021

**CHAIRMAN**



**CHIEF EXECUTIVE**



**CHIEF FINANCIAL OFFICER**



**KOHINOOR SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Un-Audited September 30, 2021 (Rupees)	Un-Audited September 30, 2020 (Rupees)
<b>SALES - NET</b>	562,252,778	692,109,322
<b>COST OF SALES</b>	<u>(602,756,419)</u>	<u>(745,042,417)</u>
<b>GROSS (LOSS)</b>	(40,503,641)	(52,933,095)
<b>OPERATING EXPENSES</b>		
Distribution Cost	(33,605)	(1,651,837)
Administrative	(23,379,897)	(19,525,800)
	<u>(23,413,502)</u>	<u>(21,177,637)</u>
<b>OPERATING (LOSS)</b>	(63,917,143)	(74,110,732)
Financial cost	(2,886,171)	(2,372,124)
Other operating income	-	-
	<u>(2,886,171)</u>	<u>(2,372,124)</u>
<b>(LOSS) BEFORE TAXATION</b>	(66,803,314)	(76,482,856)
<b>TAXATION</b>	(8,433,792)	(10,381,640)
<b>(LOSS) AFTER TAXATION</b>	<u>(75,237,105)</u>	<u>(86,864,496)</u>
<b>(LOSS) PER SHARE - BASIC &amp; DILUTED</b>	<u>(0.35)</u>	<u>(0.40)</u>

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

Lahore,  
October 30, 2021



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFI

**KOHINOOR SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Un-Audited September 30, 2021 (Rupees)	Un-Audited September 30, 2020 (Rupees)
(Loss) after taxation	(75,237,105)	(86,864,493)
<b>Other Comprehensive income</b>		
Items that may be reclassified subsequently to profit and loss	-	-
Unrealized (loss)/gain due to change fair value of long term investment	(83,160)	31,601
Items that will not reclassified to profit and loss	-	-
<b>Total comprehensive (Loss)</b>	<b>(75,320,265)</b>	<b>(86,832,892)</b>

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

Lahore,  
October 30, 2021



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFIC

**KOHINOOR SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Share Capital	Capital Reserves	Revenue Reserves		Total
		Share Premium	Accumulated	Fair Value	
	(Rupees)		(Rupees)	(Loss)	
<b>Balance as at July 01, 2020</b>	1,078,571,425	171,428,570	(1,971,812,960)	(850,312)	(722,663,277)
Loss for the period ended after taxation		-	(86,864,493)	-	(86,864,493)
Unrealized gain due to change in fair Value of long term investment	-	-	-	31,601	31,601
<b>Balance as on September 30, 2020</b>	1,078,571,425	171,428,570	(2,058,677,453)	(818,711)	(809,496,169)
<b>Balance as on July 01, 2021</b>	1,078,571,425	171,428,570	(2,341,717,971)	(552,599)	(1,092,270,576)
Loss for the period ended after taxation	-	-	(75,237,105)	-	(75,237,105)
Unrealised loss due to change in fair value of long term investment	-	-	-	(83,160)	(83,160)
<b>Balance as on September 30, 2021</b>	1,078,571,425	171,428,570	(2,416,955,076)	(635,759)	(1,167,590,841)

Lahore,  
October 30, 2021



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFI



**KOHINOOR SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Un-Audited September 30, 2021 (Rupees)	Un-Audited September 30, 2020 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(66,803,314)	(76,482,853)
Adjustments of non cash charges and other items:		
Depreciation / amortization	20,713,563	21,543,690
Gratuity	3,222,900	2,635,155
Financial cost	2,886,171	2,372,124
Operating (Loss) before working capital changes	(39,980,680)	(49,931,884)
(Increase)/decrease in current assets		
Stores and spares	8,910,327	9,223,664
Stock-in-trade	(12,491,766)	9,755,840
Trade debts	(42,020,077)	(28,961,870)
Loan & advances	(1,548,196)	4,389,331
Trade deposits, prepayments & other receivables	(3,272,875)	(14,547,420)
	(50,422,587)	(20,140,455)
Increase/decrease in current liabilities		
Trade and other payables	92,343,928	61,335,115
	1,940,661	(8,737,224)
Financial cost paid	(2,886,171)	(2,372,124)
Income tax paid	(8,393,604)	(4,601,348)
Gratuity paid	(6,110,935)	-
<b>Net cash used in operations</b>	(15,450,048)	(15,710,696)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment	(1,337,746)	(3,198,500)
Long term loans	20,264,000	13,138,738
<b>Net cash used in investing activities</b>	18,926,254	9,940,238
<b>NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,476,206	(5,770,457)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	2,476,109	9,813,594
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5,952,315	4,043,137

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

Lahore,

October 30, 2021

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFI

**KOHINOOR SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

**1. NATURE AND STATUS OF BUSINESS**

KOHINOOR SPINNING MILLS LIMITED was incorporated on 23rd July, 1970 as a public limited company in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is quoted on Pakistan stock exchange. The company is engaged in the business of textile spinning.

**Geographical Location of Head Office and business Units :**

Registered Office 7-E, 3/1, Main Boulevard, Gulberg III, Lahore.

Unit 01/02 Aminabad 8 Km Pindi Road, Chakwal

Unit 03 8 Km Bhaun Road, Chakwal

**2. BASIS OF PRESENTATION**

This interim condensed financial statement is unaudited and are being submitted to the shareholders as required under section 245 of the Companies Act 2017 and section 245 with section 237. These interim condensed financial statements has been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting). In case where requirement differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements should be read in conjunction with the audited annual published Financial statements of the company for the year ended June 30, 2021.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2021.

Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

**4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

**4.1** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2021.

**4.2** The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

**5. SHARE CAPITAL**

	<b>September 30, 2021</b>	<b>June 30, 2021</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Issued, subscribed and paid up</b>		
213,439,285 (June 30, 2021 -213,439,285) ordinary shares of Rupees 5/- each, issued for cash	<b>1,067,196,425</b>	1,067,196,425
2,275,000 (June 30, 2021 -2,275,000) ordinary shares of Rupees 5/- each, issued as bonus shares	<b>11,375,000</b>	11,375,000
	<b><u>1,078,571,425</u></b>	<b><u>1,078,571,425</u></b>

		Un-Audited September 30, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
	Opening writtendown value	1,594,114,680	1,636,381,216
	Additions during the period 6.1	1,337,746	28,917,957
	Transfer during the period 6.2	-	21,600,000
		<u>1,595,452,426</u>	<u>1,686,899,173</u>
	Deletion during the period 6.3	-	(4,311,725)
		<u>1,595,452,426</u>	<u>1,682,587,448</u>
	Depreciation charged during the period	(20,713,567)	(86,016,326)
	Depreciation transfer during the period	-	(2,456,442)
		<u>1,574,738,859</u>	<u>1,594,114,680</u>
<b>LEASED</b>			
	Opening writtendown value	-	15,726,287
	Additions during the period	-	-
		-	<u>15,726,287</u>
	Adjustment/transfer during the period 6.2	-	(21,600,000)
		-	(5,873,713)
	Amortization charged during the period	-	(399,708)
	Amortization transfer during the period	-	6,273,421
		-	<u>5,873,713</u>
		-	-
		<u>1,574,738,859</u>	<u>1,594,114,680</u>
<b>6.1 ADDITION DURING THE PERIOD</b>			
	Plant and machinery	1,337,746	27,229,477
	Vehicle	-	1,688,480
		<u>1,337,746</u>	<u>28,917,957</u>
<b>6.2 TRANSFER DURING THE PERIOD</b>			
	Plant and machinery	-	21,600,000
		-	<u>21,600,000</u>
<b>6.3 DELETION DURING THE PERIOD</b>			
	Vehicle	-	4,311,725
		-	<u>4,311,725</u>
<b>7. TRANSACTION WITH RELATED PARTIES</b>			

The transactions between the company and related parties are at arm's length prices determined in accordance with comparable uncontrolled price method. The company during the period ending September 30, 2021 entered to following transactions with its related parties:

	Un-Audited September 30, 2021 (Rupees)	Un-Audited September 30, 2020 (Rupees)
Sales of raw material and goods Chakwal Textile Mills Ltd.	-	533,808

## 8. AUTHORISATION FOR ISSUE

These condensed interim Financial statement have been authorised for issue on October 30, 2021 by the Board of Directors of the company.

## 9. GENERAL

Figures have been rounded off to the nearest rupee.

Lahore,  
October 30, 2021

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFI