

ڈائریکٹرز رپوٹ

کوہ نور سپنگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2019 پر اختتام شدہ سہ ماہی کے حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپ کی کمپنی کو پچھلے سال کے 59 ملین روپے کے خالص نقصان کے مقابلے میں اس سال تین ماہ میں 106 ملین روپے خالص نقصان ہوا ہے یہ مایوس کن نتیجہ 2019-20 کہ بجٹ میں غیر رجسٹرڈ افراد کے لئے سلیز ٹیکس اور کمپیوٹرائزڈ قومی شناختی کارڈ کی شرط پر منسوب ہے ان مسائل کی وجہ سے فیصل آباد کی بنیاد پر ہونے والی ٹیکسٹائل سیکٹر کی غیر رجسٹرڈ چین نے اپنے کارخانے بند کر دیے۔ اسی وجہ سے ہمارے سوتر کی مصنوعات کی کمزور مانگ کے نتیجے کے طور پر، ہم نے اس سہ ماہی کے دوران تقریباً دو ماہ کے لئے اپنی ملز کو بند کر دیا۔

ستمبر 2018 کی 1.0 بلین روپے فروخت کے مقابلے میں موجودہ سہ ماہی کی فروخت 283 ملین روپے (72 فیصد کمی کے ساتھ) رہی افراط زر کے باوجود کمپنی نے گزشتہ سال کی سطح پر انتظامی اخراجات جاری رکھیں ہیں۔

بھاری نقصانات کی وجہ سے ہمارے آپریشنز نے پائیداری کا سامنا کیا ہے کمپنی کے ڈائریکٹرز کے طور پر فنڈز کو مہیا کرنے کے لیے تیار ہیں۔ اور جب کمپنی کی طرف سے ضرورت پڑتی ہے۔ یہ کمپنی کی حصص یافتگان اور قرضہ داروں کے درمیان اعتماد پیدا کرے گا

حکومت پاکستان نے 1.80 روپے فی کلوواٹ کی شرح سے پہلی سہ ماہی، 0.63 روپے فی کلوواٹ کے حساب سے دوسری سہ ماہی اور اضافی ترسیلی مارجن 0.2 روپے فی کلوواٹ سے 0.43 روپے فی کلوواٹ لاگو کر دیا ہے باوجود یہ کہ ہم بطور ٹیکسٹائل یونٹ صفر درجہ بندی کے حامل ہیں۔ اپنا اس لیوی کے خلاف عزت مآب لاہور ہائیکورٹ کے بینچ سے رجوع کر رہی ہے۔ اسٹیٹ بینک آف پاکستان کی رعایت کی شرح خطے میں سب سے زیادہ ہے۔ یہ عنصر ہمارے ملک میں مزید صنعت کاری کو کم کرے گا۔ اگر ہم ایک مضبوط صنعتی اساس چاہتے ہیں تو ہمیں اپنی مصنوعات کو مسابقتی برتری کے لیے غیر مسلسل ایندھن اور توانائی کی فراہمی کو یقینی بنانے اور مقابلہ کرنے کی ضرورت ہے۔ اسٹیٹ بینک کی جانب سے اگلی مالیاتی پالیسی میں بینچ مارک سود کی شرح کو کم کرنا چاہیے ہماری رائے یہ ہے کہ کم شرح سود صنعتی ترقی کے لیے ضروری ہے۔

آخر میں ہم آپ کو یقین دلاتے ہیں کہ آپ کی کمپنی کے منتظمین، کمپنی کی مجموعی کارکردگی کو پیداوار بڑھا کر، لاگت کو کنٹرول کر کے اور جدت طراز مارکیٹنگ حکمت عملی وضع کر کے بہتر بنائیں گے۔

محمد نوید

(چیف ایگزیکٹو آفیسر)

خواجہ محمد جہانگیر

(چیئرمین)

لاہور

تاریخ: 29 نومبر 2019

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 30th September 2019.

Your Company has incurred a net loss of Rs.106 million as compared to a net loss of Rs. 59 million for the corresponding period last year. This depressing result is attributable to the imposition of general sales tax and condition of CNIC for un-registered persons in the budget for 2019-20. Due to these issues, un-registered chain of textile sector based in Faisalabad shut down its factories. This caused dwindling demand of our yarn products. As a result, we closed our mills for almost two months during this quarter.

Sales have decreased from Rs. 1.0 billion in September 2018 to Rs. 283 million in the current period (a whopping decrease of 72%). Despite inflation, the Company has kept administration expenses at last year level.

Due to heavy losses, our operations suffered sustainability. The directors of the Company are willing to inject funds as and when needed by the Company. This would build confidence among the shareholders and creditors of the Company.

The Government of Pakistan has imposed quarter tariff for quarter 1 at the rate of 1.8 per KWH, for quarter 2 at the rate of 0.63 per KWH and additional distribution margin ranging from Rs. 0.43 to Rs. 0.2 per KWH despite our zero rating status as a textile unit. APTMA is going to the Honorable Lahore High Court Bench for reversal of this levy. The discount rate of State Bank of Pakistan (SBP) is highest in the region. This factor would reduce further industrialization in our country. If we want a strong industrial base, we need to rationalize our energy rates and ensure non-stop fuel and energy supply to give a competitive edge to our products. SBP should reduce bench mark interest rate in next monetary policy. We are of the opinion that low interest rate is a must for industrial growth.

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:
29 November 2019

Khawaja Mohammad Jahangir
(Chairman)



Mohammad Naveed
(Chief Executive Officer)

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019 (UN-AUDITED)

	Notes	Un-Audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)	Notes	Un-Audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Authorised Capital						
300,000,000 (June 30, 2019 - 300,000,000) ordinary shares of Rs.5 each		1,500,000,000	1,500,000,000			
Issued, subscribed and paid up capital						
215,714,285 (June 30, 2019 - 215,714,285) ordinary shares of Rs.5 each	5	1,078,571,425 (1,662,188,777) (583,617,352)	1,078,571,425 (1,555,812,643) (477,241,218)			
Reserves						
NON-CURRENT LIABILITIES						
Long term Loans		470,149,521	470,149,521		1,719,648,982	1,738,573,442
Deferred liabilities		63,389,727	64,593,059		39,325,312	39,325,312
		533,539,248	534,742,580		1,759,148,930	1,778,065,074
CURRENT LIABILITIES						
Trade and other payables		307,955,996	341,854,719		42,046,556	46,399,495
Accrued Interest on loans and borrowings		513,541,403	471,877,939		853,761,618	798,871,215
Short-term borrowings		1,463,142,972	1,463,142,972		56,738,659	208,885,631
Current portion of long term long		364,705,882	364,705,882		59,988,059	63,337,141
Supplier's credit		163,900,150	163,900,150		24,004,500	2,500
Un-claimed dividend		1,915,117	1,915,117		5,173,217	4,298,576
Provision for taxation		35,778,123	34,961,489		1,041,712,609	1,121,794,557
		2,850,939,643	2,842,358,269			
		2,800,861,539	2,899,859,631		2,800,861,539	2,899,859,631

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

Lahore,
November 29, 2019

[Signature]

CHAIRMAN



[Signature]

CHIEF EXECUTIVE

[Signature]

CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Notes	Un-Audited September 30, 2019 (Rupees)	Un-Audited September 30, 2018 (Rupees)
SALES - NET		283,439,046	1,009,841,184
COST OF SALES		<u>(322,286,146)</u>	<u>(990,711,556)</u>
GROSS (LOSS)/PROFIT		(38,847,100)	19,129,628
OPERATING EXPENSES			
Distribution Cost		(180,877)	(188,300)
Administrative		<u>(18,678,237)</u>	<u>(19,881,364)</u>
		<u>(18,859,114)</u>	<u>(20,069,664)</u>
OPERATING (LOSS)		(57,706,214)	(940,036)
Financial cost		(44,426,650)	(45,320,971)
Other operating income		-	-
		<u>(44,426,650)</u>	<u>(45,320,971)</u>
(LOSS) BEFORE TAXATION		(102,132,864)	(46,261,007)
TAXATION		(4,251,586)	(12,623,015)
(LOSS) AFTER TAXATION		<u>(106,384,450)</u>	<u>(58,884,022)</u>
(LOSS) PER SHARE - BASIC & DILUTED		<u>(0.49)</u>	<u>(0.27)</u>

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

Lahore,
November 29, 2019



CHAIRMAN



CHIEF EXECUTIVE




CHIEF FINANCIAL OFFI




KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Un-Audited September 30, 2019 (Rupees)	Un-Audited September 30, 2018 (Rupees)
(Loss) after taxation	(106,384,450)	(58,884,022)
Other Comprehensive income		
Items that may be reclassified subsequently to profit and loss	-	-
Unrelized gain/(loss) due to change i fair value of long term investment	8,316	(34,927)
Items that will not reclassified to profit and loss	-	-
Total comprehensive (Loss)	<u><u>(106,376,134)</u></u>	<u><u>(58,918,949)</u></u>

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


Lahore,
November 29, 2019 **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, 2019

	Share Capital	Capital Reserves Share Premium	Revenue Reserves		Total
			Accumulated (Loss)	Fair Value Reserves	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2018	1,078,571,425	171,428,570	(1,355,757,814)	(715,593)	(106,473,412)
Loss for the period ended after taxation		-	(58,884,022)	-	(58,884,022)
Unrealized gain due to change in fair Value of long term investment	-	-	-	(34,927)	(34,927)
Balance as on September 30, 2018	1,078,571,425	171,428,570	(1,414,641,836)	(750,520)	(165,392,361)
Balance as on July 01, 2019	1,078,571,425	171,428,570	(1,726,407,533)	(833,680)	(477,241,218)
(Loss) for the period ended after taxation	-	-	(106,384,450)	-	(106,384,450)
Unrealised gain due to change in fair value of long term investment	-	-	-	8,316	8,316
Balance as on September 30, 2019	1,078,571,425	171,428,570	(1,832,791,983)	(825,364)	(583,617,352)

Lahore,
November 29, 2019

CHAIRMAN

CHIEF EXECUTIVE



CHIEF FINANCIAL OFFI

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Un-Audited September 30, 2019 (Rupees)	Un-Audited September 30, 2018 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(102,132,864)	(46,261,007)
Adjustments of non cash charges and other items:		
Depreciation / amortization	22,679,460	23,860,835
Gratuity	2,409,190	4,033,179
Financial cost	44,426,650	45,320,971
Operating (Loss)/profit before working capital changes	(32,617,564)	26,953,978
(Increase)/decrease in current assets		
Stores and spares	4,352,939	20,012,992
Stock-in-trade	(54,890,403)	(48,015,588)
Trade debts	152,146,972	6,633,439
Loan & advances	3,349,082	(427,424)
Trade deposits, prepayments & other receivables	(24,002,000)	(3,999,420)
	80,956,590	(25,796,001)
Increase in current liabilities		
Trade and other payables	(33,898,723)	20,329,231
	14,440,303	21,487,208
Financial cost paid	(2,763,186)	(2,214,278)
Income tax paid	(3,434,952)	(531,851)
Gratuity paid	(3,612,425)	(3,726,243)
Net cash used in operations	4,629,740	15,014,836
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment	(3,755,100)	(11,155,500)
Long term loans	-	4,850,000
Net cash used in investing activities	(3,755,100)	(6,305,500)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/proceeds from:		
Decrease in short term borrowings	-	-
Net cash generated from financing activities	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	874,641	8,709,337
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,298,576	4,137,212
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,173,217	12,846,549

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

Lahore,

November 29, 2019

CHAIRMAN

CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED

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

- 1.2 No significant events and transaction affecting the company's financial position for period ended September 30, 2019.

2. BASIS OF PRESENTATION

This interim condensed financial statement is unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017. 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, 2019.

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, 2019.

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 2018.

- 4.2** 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 2019.

		Un-Audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
5. SHARE CAPITAL			
Issued, subscribed and paid up			
213,439,285 (June 30, 2019 -127,725,000) ordinary shares of Rupees 5/- each, issued for cash		638,625,000	638,625,000
2,275,000 (June 30, 2019 -2,275,000) ordinary shares of Rupees 5/- each, issued as bonus shares		11,375,000	11,375,000
		<u>650,000,000</u>	<u>650,000,000</u>

		Un-Audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
6. PROPERTY, PLANT AND EQUIPMENT			
Opening writtendown value		1,722,019,456	1,803,695,797
Additions during the period	6.1	3,755,000	11,941,500
		<u>1,725,774,456</u>	<u>1,815,637,297</u>
Deletion during the period		-	-
		<u>1,725,774,456</u>	<u>1,815,637,297</u>
Depreciation charged during the period		(22,401,261)	(93,617,841)
		<u>1,703,373,195</u>	<u>1,722,019,456</u>
LEASED			
Opening writtendown value		16,553,986	21,600,000
Additions during the period		-	-
		<u>16,553,986</u>	<u>21,600,000</u>
Amortization charged during the period		(278,199)	(5,046,014)
		<u>16,275,787</u>	<u>16,553,986</u>
		<u>1,719,648,982</u>	<u>1,738,573,442</u>

6.1 ADDITION DURING THE PERIOD

Plant and machinery	-	10,905,500
Vehicle	3,755,000	1,036,000
	<u>3,755,000</u>	<u>11,941,500</u>

7. TRANSACTION WITH RELATED PARTIES

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 December 31, 2019 entered to following transactions with its related parties:

	Un-Audited September 30, 2019 (Rupees)	Audited September 30, 2018 (Rupees)
Purchase of raw material and goods Chakwal Textile Mills Ltd.	3,958,360	-

8. AUTHORISATION FOR ISSUE

These condensed interim Financial statement have been authorised for issue on November 29, 2019 by the Board of Directors of the company.

9. GENERAL

Figures have been rounded off to the nearest rupee.

Lahore,
November 29, 2019


CHAIRMAN


CHIEF EXECUTIVE




CHIEF FINANCIAL OFFI