

QUARTERLY REPORT

UN-AUDITED
For the 3rd Quarter Ended
March 31, 2020



Kohinoor Spinning Mills Limited



COMPANY INFORMATION

BOARD OF DIRECTOR

Khawaja Mohammad Jahangir	(Chairman)
Mohammad Naveed	(Chief Executive)
Khawaja Mohammad Jawed	(Director)
Khawaja Mohammad Tanveer	(Director)
Khawaja Mohammad Kaleem	(Director)
Khawaja Mohammad Nadeem	(Director)
Mohammad Hamza Yousaf	(Director)
Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Khawaja Mohammad Nadeem	(Member)

HR & REMUNERATION COMMITTEE

Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Jahangir	(Member)
Khawaja Mohammad Kaleem	(Member)

CORPORATE SECRETARY

Hasan Ahmad Khan	FCA
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CHIEF FINANCIAL OFFICER

Mr. Muhammad Saeed Zafar	M.B.A
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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.

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' REVIEW

The Board of Directors of Kohinoor Spinning Mills Limited is pleased to present nine months accounts for the period ended 31st March 2020.

Your Company has incurred gross loss of Rs. 155 million as compared to gross loss of Rs. 64 million for the corresponding period last year whereas net loss is amounting to Rs. 264 million as compared to Rs. 295 million in the same period..

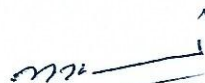
The Government had imposed lock down in the last quarter of current financial year due to Covid-19 pandemic. As a result, our revenue dropped down drastically in last quarter. Further, due to rapid devaluation of Pak Rupee, high inflation rate and drastic change in energy cost, our production cost has increased significantly.

The Federal Government had announced 7.5 Cents/KWH tariff for textile sector from January 2019. However, with the passage of time, we started receiving bills over and above this tariff. Resultantly, we had to pay electricity duty, maximum demand indicator (MDI), Neelum Jehlum surcharge, Finance Cost surcharge, positive fuel price adjustment etc. in addition to 7.5 Cents/ KWH. After long legal battle, and knocking the door of highest government officials, we got the refund of excess amounts. However, IESCO once again deducted sales tax and income tax from refunded amount. This created cash flow shortage for us.

To overcome the difficulties being faced by industry, State Bank of Pakistan has announced many incentives like financing of payroll expenses, financing of BMR/new projects at lower rates etc. Further, the Government is also planning to provide energy to textile sector at subsidized rates on long term basis. This will have positive impact on our business operations.

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: June 05, 2020


Muhammad Naveed
(Chief Executive Officer)


Khawaja Muhammad Jahangir
(Chairman)

ڈائریکٹرز رپورٹ

ہم کوہ نور سپنگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2020 کے اختتام شدہ نو ماہ کے غیر شدہ حسابات پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

نو ماہ کے دوران کمپنی کا مجموعی خسارہ پچھلے دورانیہ کے 64 ملین روپے کے مقابلے میں 155 ملین رہا، جبکہ خالص خسارہ 264 ملین رہا جو کہ پچھلے دورانیہ 295 ملین تھا۔

کورونا وائرس کی وجہ سے کمپنی کی سیلز آخری سہ ماہی میں گر گئی۔ حکومت نے مارچ میں لاک ڈاؤن کا اعلان کیا جس کی وجہ سے تمام کاروباری سرگرمیاں معطل ہو گئی۔ مزید برآں روپے کی قدر میں اچانک کمی، بڑھتی ہوئی مہنگائی اور توانائی کی قیمتوں میں اضافے کی وجہ سے ہمارے پیداوار لاگت بہت زیادہ بڑھ گئی ہے۔

مزید برآں وفاقی حکومت نے جنوری 2019 سے ٹیکسٹائل انڈسٹری کے لیے بجلی کی قیمت 7.5 Cents/KWH مقرر کی ہے۔ لیکن وقت گزرنے کے ساتھ ساتھ یہ دیکھا گیا کہ بجلی کے بل اس مندرجہ بالا ٹیرف سے بڑھ کر وصول ہو رہے ہیں۔ جن میں الیکٹریسیٹی ڈیوٹی، MDI، نیلم جہلم سرچارج اور فیول پرائس ایڈجسٹمنٹ بھی شامل ہیں۔ بہر حال ایک طویل قانونی جنگ کے بعد اور اعلیٰ سرکاری عہدیداران سے رابطہ کرنے کے بعد ہمیں اضافی رقم واپس مل گئی۔ تاہم اس کے باوجود آئیسکو نے اس واپسی کی رقم میں سے بھی سیلز ٹیکس اور انکم ٹیکس منہا کر لیا۔ جس کی وجہ سے ہمیں ترسیلات زر میں کمی کا سامنا کرنا پڑا۔

حکومت نے لاک ڈاؤن کے دورانیہ کے دوران کاروباری طبقے کی حوصلہ افزائی کے لیے کم شرح پر قرضے فراہم کرنے کا اعلان کیا ہے تاکہ وہ اپنے ملازمین کو آخری ششماہی کی تنخواہیں ادا کر سکیں۔ مزید برآں حکومت ٹیکسٹائل کی صنعت کو سستے نرخوں پر بجلی کی فراہمی کے لیے منصوبہ بندی کر رہی ہے جس کی وجہ سے ہمارے کاروبار پر اچھا اثر پڑے گا۔

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 وضع کر کے مجموعی کارکردگی کو بہتر بنانے کے لیے اپنی تمام تر کوششیں جاری رکھے گی۔

خواجہ محمد جہانگیر

(چیرمین)

محمد نوید

(چیف ایگزیکٹو آفیسر)

لاہور

تاریخ: 05 جون 2020

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (U

	Notes	Un-Audited March 31, 2020 (Rupees)	Audited June 30, 2019 (Rupees)		Un-Audited March 31, 2020 (Rupees)	Audited June 30, 2019 (Rupees)
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Authorised Capital		<u>1,500,000,000</u>	<u>1,500,000,000</u>			
300,000,000 (June 30, 2019 - 300,000,000) ordinary shares of Rs.5 each						
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	1,078,571,425			
Reserves		(1,819,589,451)	(1,555,812,643)			
		(741,018,026)	(477,241,218)			
NON-CURRENT LIABILITIES						
Long term Loans		503,648,521	470,149,521	Property, plant and equipment	1,673,846,187	1,738,573,442
Deferred liabilities		65,088,919	64,593,059	Long term deposits	39,325,312	39,325,312
		568,737,440	534,742,580	Long term investments	174,636	166,320
					1,713,346,135	1,778,065,074
CURRENT LIABILITIES						
Trade and other payables		548,497,670	341,854,719	CURRENT ASSETS		
Accrued Interest on loans and borrowings		494,157,757	471,877,939	Stores and spares	40,520,754	46,399,495
Short-term borrowings		1,463,142,972	1,463,142,972	Stock-in-trade	889,721,486	798,871,215
Current portion of long term loan		364,705,882	364,705,882	Trade debts	177,581,410	208,885,631
Supplier's credit		163,900,150	163,900,150	Loans and advances	63,793,407	63,337,141
Un-claimed dividend		1,915,117	1,915,117	Other receivable	4,500	2,500
Provision for taxation		31,234,823	34,961,489	Cash and bank balances	10,306,093	4,298,576
		3,067,554,371	2,842,358,269		1,181,927,650	1,121,794,557
		<u>2,895,273,785</u>	<u>2,899,859,631</u>		<u>2,895,273,785</u>	<u>2,899,859,631</u>

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

Lahore,
June 05, 2020


CHAIRMAN




CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-
FOR THE PERIOD ENDED MARCH 31, 2020

	Notes	Period Ended		Quarter Ended	
		Un-Audited March 31, 2020 (Rupees)	Un-Audited March 31, 2019 (Rupees)	Un-Audited March 31, 2020 (Rupees)	Un-Audited March 31, 2019 (Rupees)
SALES - NET		1,433,940,995	3,186,327,343	553,308,695	1,121,223,185
COST OF SALES		<u>(1,588,883,826)</u>	<u>(3,250,321,487)</u>	<u>(602,022,911)</u>	<u>(1,114,548,480)</u>
GROSS (LOSS)/PROFIT		(154,942,831)	(63,994,144)	(48,714,216)	6,674,705
OPERATING EXPENSES					
Distribution Cost		(2,291,425)	(1,153,690)	(912,748)	(528,475)
Administrative		<u>(54,883,122)</u>	<u>(59,309,160)</u>	<u>(19,918,704)</u>	<u>(19,939,848)</u>
		<u>(57,174,547)</u>	<u>(60,462,850)</u>	<u>(20,831,452)</u>	<u>(20,468,323)</u>
OPERATING (LOSS)		(212,117,378)	(124,456,994)	(69,545,668)	(13,793,618)
Financial cost		(30,164,513)	(130,865,181)	(9,965,572)	(43,176,746)
Other operating income		5,882	-	-	-
		<u>(30,158,631)</u>	<u>(130,865,181)</u>	<u>(9,965,572)</u>	<u>(43,176,746)</u>
(LOSS) BEFORE TAXATION		(242,276,009)	(255,322,175)	(79,511,240)	(56,970,364)
TAXATION		(21,509,115)	(39,829,092)	(8,299,630)	(14,015,290)
(LOSS) AFTER TAXATION		<u>(263,785,124)</u>	<u>(295,151,267)</u>	<u>(87,810,870)</u>	<u>(70,985,654)</u>
(LOSS) PER SHARE - BASIC & DILUTED		<u>(1.22)</u>	<u>(1.37)</u>	<u>(0.41)</u>	<u>(0.33)</u>

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

Lahore,
June 05, 2020


CHAIRMAN


CHIEF EXECUTIVE




CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Half Year Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
(Loss) after taxation	(263,785,124)	(285,151,267)	(87,810,870)	(70,985,654)
Other Comprehensive income				
Items that may be reclassified subsequently to profit and loss	-	-	-	-
Unrealized gain/(loss) due to change in fair value of long term investment	8,316	(34,927)	(8,316)	(49,896)
Items that will not be reclassified to profit and loss	-	-	-	-
Total comprehensive (Loss)	(263,776,808)	(285,186,194)	(87,819,186)	(71,035,550)

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

Lahore,

June 05, 2020


CHAIRMAN


CHIEF EXECUTIVE




CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Un-Audited March 31, 2020 (Rupees)	Un-Audited March 31, 2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(242,276,009)	(255,322,175)
Adjustments of non cash charges and other items:		
Depreciation / amortization	68,556,637	71,650,236
Gratuity	7,059,885	12,099,537
Gain on sale of fixed assets	(5,882)	-
Financial cost	30,164,513	130,865,181
Operating profit before working capital changes	(136,500,856)	(40,707,221)
(Increase)/decrease in current assets		
Stores and spares	5,878,741	24,134,254
Stock-in-trade	(90,850,271)	(31,538,153)
Trade debts	31,304,221	52,029,008
Loan & advances	(364,567)	15,756,695
Trade deposit, prepayments & other receivables	(93,699)	(1,626,186)
	(54,125,575)	58,755,618
Increase in current liabilities		
Trade and other payables	206,642,951	483,182
	16,016,520	18,531,579
Financial cost paid	(7,884,695)	(6,967,705)
Income tax paid	(25,235,781)	(4,063,596)
Gratuity paid	(6,564,028)	(13,809,266)
Net cash used in operations	(23,667,984)	(6,308,987)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment	(3,859,500)	(11,941,500)
Proceeds from disposal property, plant and equipment	36,000	-
Net cash used in investing activities	(3,823,500)	(11,941,500)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/proceeds from:		
Increase in Long term loan from directors	33,499,000	23,898,000
Net cash generated from financing activities	33,499,000	23,898,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	6,007,517	5,647,513
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	10,306,093	9,784,725

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

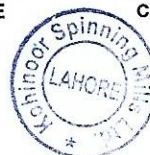
Lahore,

June 05, 2020

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



KOHINOOR SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY (UN-ADITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Share Capital	Capital Reserves	Revenue Reserves		Total
			Accumulated	Fair Value	
		Share Premium	(Loss)	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	-	-	(295,151,267)	-	(295,151,267)
Unrealized (loss) in due to change in fair Value of long term investment	-	-	-	(34,927)	(34,927)
Balance as on March 31, 2019	1,078,571,425	171,428,570	(1,650,909,081)	(750,520)	(401,659,606)
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	-	-	(263,785,124)	-	(263,785,124)
Unrealised gain to change in fair value of long term investment	-	-	-	8,316	8,316
Balance as on March 31, 2020	1,078,571,425	171,428,570	(1,990,192,657)	(825,364)	(741,018,026)

Lahore,
June 05, 2020


CHAIRMAN


CHIEF EXECUTIVE




CHIEF FINANCIAL OFFICER

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

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, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and 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 2019.

- 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 2019.

5. SHARE CAPITAL

Issued, subscribed and paid up

	Un-Audited March 31, 2020 (Rupees)	Audited June 30, 2019 (Rupees)
213,439,285 (June 30, 2019 -213,439,285) ordinary shares of Rupees 5/- each, issued for cash	1,067,196,425	1,067,196,425
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>1,078,571,425</u>	<u>1,078,571,425</u>

6. PROPERTY, PLANT AND EQUIPMENT

		Un-Audited March 31, 2020 (Rupees)	Audited June 30, 2019 (Rupees)
Opening writtendown value		1,722,019,456	1,803,695,797
Additions during the period	6.1	3,859,500	11,941,500
		1,725,878,956	1,815,637,297
Deletion during the period	6.2	(86,000)	-
		1,725,792,956	1,815,637,297
Depreciation charged during the period		(67,926,665)	(93,617,841)
Depreciation Adjusted during the period		55,882	-
		1,657,922,173	1,722,019,456

LEASED

Opening writtendown value		16,553,986	21,600,000
Additions during the period		-	-
		16,553,986	21,600,000
Amortization charged during the period		(629,972)	(5,046,014)
		15,924,014	16,553,986
		1,673,846,187	1,738,573,442

6.1 ADDITION DURING THE PERIOD

Plant and machinery		-	10,905,500
Vehicle		3,859,500	1,036,000
		3,859,500	11,941,500

6.2 DELETION DURING THE PERIOD

Vehicles		86,000	-
		86,000	-

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 March 31, 2020 (Rupees)	Un-Audited March 31, 2019 (Rupees)
Purchase of raw material and goods Chakwal Textile Mills Ltd.	8,515,094	-

8. AUTHORISATION FOR ISSUE

These condensed interim Financial statement have been authorised for issue on June 05, 2020 by the Board of Directors of the company.

9. GENERAL

Figures have been rounded off to the nearest rupee.

Lahore,
June 05, 2020

CHAIRMAN

CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER