



QUARTERLY REPORT

UN-AUDITED
1st Quarter Ended
September 30, 2018

Kohinoor

Spinning Mills Limited

Contents

Company Information	01
Directors' Report	02-03
Statement Of Financial Position	04-05
Statement of Profit or Loss Account	06
Statement of Comprehensive Income	07
Statement of Cash Flow	08
Statement of Changes in Equity	09
Notes to the Financial Statements	10-13

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

CORPORATE SECRETARY

Hasan Ahmed 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 & Agricultural Investment Company Limited

AUDITORS

Nasir Javaid Maqsood Imran
Chartered Accountants
Office # 12 & 13, 3rd Floor, Fazal Arcade,
F-11 Markaz, Islamabad. Pakistan

CORPORATE & REGISTERED OFFICE

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

SHARE REGISTRARS

Corp link (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 30th September 2018.

Your Company has incurred a net loss of Rs.59 million as compared to a net loss of Rs. 53 million for the corresponding period last year. The dynamics of business remained same as compared to the last corresponding period last year. Ever increasing cotton and polyester prices and minimal or no corresponding rise in yarn prices are main reasons for this adverse result.

Sales have increased from Rs. 729 million in September 2017 to Rs. 1.01 billion in the current period (an increase of 39%). Sales were increased mainly due to better plant capacity utilization. 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 announced a textile package after much delay. As per announcement, fuel prices for five export oriented sectors (including textile) shall be compatible with the prices prevailing in regional countries. How much it would be beneficial for revival of textile industry, only time will tell. Other factors like continuous fuel and power supply and consistent monetary policy by State Bank of Pakistan (SBP) are also crucial. 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 not increase 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.

For and on behalf of the Board



Khawaja Mohammad Jahangir
Chairman



Mr. Mohammad Naveed
Chief Executive Officer

Lahore:
29 November 2018

ڈائریکٹرز رپورٹ

ہم کوہ نور سپینگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2018 کے اختتام شدہ سہ ماہی کے حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپ کی کمپنی کو پچھلے سال کے 53 ملین روپے کے خالص نقصان کے مقابلے میں اس سال 59 ملین روپے کے خالص نقصان ہوا ہے۔ کاروباری حرکیات پچھلے سال کی طرح ہی رہی۔ روٹی اور پولیڈسٹر کی مسلسل بڑھتی قیمتیں اور اسکے مقابلے میں نسبتاً کم یا نہ ہونے کے برابر دھاگے کی قیمتوں میں اضافہ اس برے نتیجے کے بنیادی اسباب ہیں۔

موجودہ سہ ماہی کی فروخت ستمبر 2017 کی 729 ملین روپے کی فروخت کے مقابلے میں 1.01 بلین روپے رہی (39% اضافے کے ساتھ) پلانٹ کی پیداواری صلاحیت کا بہتر استعمال فروخت میں اضافے کا بنیادی سبب رہا۔

بھاری نقصان کی وجہ سے ہمارے معمولات شدید متاثر ہوئے۔ کمپنی کے ڈائریکٹرز بوقت ضرورت فنڈز کمپنی میں ڈالنے پر رضامند ہیں۔ اس قدم سے کمپنی کے حصہ داروں اور قرض دہندگان کے اعتماد میں اضافہ ہوگا۔

حکومت پاکستان نے کافی عرصے کے بعد ٹیکسٹائل پنچنگ کا اعلان کیا ہے۔ اعلان کے مطابق ایندھن و توانائی کی قیمتیں پانچ برآمدی صنعتی سیکٹرز کیلئے وہی ہونگی جو علاقائی ممالک میں ہیں۔ یہ ٹیکسٹائل کی صنعت کی بحالی کیلئے کتنا مثبت قدم ہے وقت بتائیگا۔ دوسرے محرکات جیسے کے ایندھن و توانائی کی مسلسل فراہمی اور سیٹھ بینک کی نظام زر کی پالیسی کا تسلسل بھی اہم ہیں۔ اگر ہم مضبوط صنعتی بنیاد چاہتے ہیں تو ہمیں توانائی کی قیمتوں کو معقول بنانا پڑیگا اور ایندھن و توانائی کی مسلسل فراہمی کو یقینی بنانا ہوگا تاکہ ہماری مصنوعات کو مسابقتی برتری دلائی جاسکے۔ سیٹھ بینک کو چاہے کہ وہ اگلی نظام زر پالیسی میں معیاری شرح سود کو نہ بڑھائے۔ ہماری رائے میں کم شرح سود صنعتی ترقی کیلئے ناقابل فراموش ہے۔

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



محمد نوید

(چیف ایگزیکٹو آفیسر)



خواجہ محمد جہانگیر

(چئیرمین)

لاہور

تاریخ:- 29 نومبر 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

	Note	Un-Audited September 30, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital			
300,000,000 (June 30, 2018 - 300,000,000) ordinary shares of Rs.5 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital			
215,714,285 (June 30, 2018 - 130,000,000) ordinary shares of Rs.5 each	5	1,078,571,425	1,078,571,425
Reserves		(1,243,963,786)	(1,185,044,837)
		(165,392,361)	(106,473,412)
NON-CURRENT LIABILITIES			
Long term Loans		466,755,929	485,434,753
Deferred liabilities		68,858,856	68,551,920
		535,614,785	553,986,673
CURRENT LIABILITIES			
Trade and other payables		383,684,812	363,355,581
Accrued Interest on loans and borrowings		349,649,833	306,543,140
Short-term borrowings		1,433,590,254	1,433,590,254
Current portion of long term long		341,176,474	317,647,650
Supplier's credit		128,196,496	128,196,496
Un-claimed dividend		1,915,117	1,915,117
Provision for taxation		31,350,737	19,259,573
		2,669,563,723	2,570,507,812
		<u>3,039,786,147</u>	<u>3,018,021,074</u>

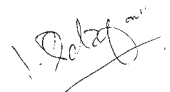
The annexed notes form an integral part of these condensed interim financial information.

AS AT SEPTEMBER 30, 2018

	Notes	Un-Audited September 30, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,808,415,866	1,821,121,203
Long term deposits		39,325,312	39,325,312
Long term investments	7	249,480	284,407
		1,847,990,658	1,860,730,922
CURRENT ASSETS			
Stores and spares		40,711,084	60,724,076
Stock-in-trade	8	829,340,761	781,325,173
Trade debts		246,479,414	253,112,853
Loans and advances		58,418,261	57,990,837
Trade deposits, short term prepayments and other receivables		3,999,420	-
Cash and bank balances		12,846,549	4,137,212
		1,191,795,489	1,157,290,151
		<u>3,039,786,147</u>	<u>3,018,021,074</u>



(Mr. Muhammad Naveed)
Chief Executive



(Mr. Muhammad Saeed Zafar)
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Notes	Un-Audited September 30, 2018 (Rupees)	Un-Audited September 30, 2017 (Rupees)
SALES - NET		1,009,841,184	728,724,724
COST OF SALES	9	<u>(990,711,556)</u>	<u>(714,634,097)</u>
GROSS PROFIT		19,129,628	14,090,627
OPERATING EXPENSES			
Distribution Cost		<u>(188,300)</u>	<u>(909,235)</u>
Administrative		<u>(19,881,364)</u>	<u>(20,173,772)</u>
		<u>(20,069,664)</u>	<u>(21,083,007)</u>
OPERATING (LOSS)		(940,036)	(6,992,380)
Financial cost		<u>(45,320,971)</u>	<u>(38,414,067)</u>
Other operating income		-	-
		<u>(45,320,971)</u>	<u>(38,414,067)</u>
(LOSS) BEFORE TAXATION		<u>(46,261,007)</u>	<u>(45,406,447)</u>
TAXATION	10	<u>(12,623,015)</u>	<u>(7,287,247)</u>
(LOSS) AFTER TAXATION		<u>(58,884,022)</u>	<u>(52,693,694)</u>
(LOSS) PER SHARE - BASIC & DILUTED	11	<u>(0.27)</u>	<u>(0.41)</u>

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

Lahore
November 29, 2018




(Khawaja Muhammad Jahangir) (Mr. Muhammad Naveed) (Mr. Muhammad Saeed Zafar)
 Chairman Chief Executive Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

	Un-Audited September 30, 2018 (Rupees)	Un-Audited September 30, 2017 (Rupees)
(Loss) after taxation	(58,884,022)	(52,693,694)
Other Comprehensive income		
Items that may be reclassified subsequently to profit and loss	-	-
Unrealized (loss) due to change in fair value of long term investment	(34,927)	(66,528)
Items that will not reclassified to profit and loss	-	-
Total comprehensive (Loss)	(58,918,949)	(52,760,222)

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

Lahore
November 29, 2018


(Khawaja Muhammad Jahangir)
Chairman


(Mr. Muhammad Naveed)
Chief Executive


(Mr. Muhammad Saeed Zafar)
Chief Financial Officer

STATEMENT OF CASH FLOW (UN-ADITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Un-Audited September 30, 2018 (Rupees)	Un-Audited September 30, 2017 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(46,261,007)	(45,406,447)
Adjustments of non cash charges and other items:		
Depreciation / amortization	23,860,835	25,145,302
Gratuity	4,033,179	5,705,823
(Loss) on sale of fixed assets	-	23,026
Financial cost	45,320,971	38,414,067
Operating profit before working capital changes	<u>26,953,978</u>	<u>23,881,771</u>
(Increase)/decrease in current assets		
Stores and spares	20,012,992	23,504,893
Stock-in-trade	(48,015,588)	(55,407,195)
Trade debts	6,633,439	(2,794,044)
Loan & advances	(427,424)	(9,862,136)
Trade deposits, prepayments & other receivables	(3,999,420)	(11,012,059)
	<u>(25,796,001)</u>	<u>(55,570,541)</u>
Increase in current liabilities		
Trade and other payables	20,329,231	41,101,325
	<u>21,487,208</u>	<u>9,412,555</u>
Financial cost paid	(2,214,278)	(2,186,606)
Income tax paid	(531,851)	(499,056)
Gratuity paid	(3,726,243)	(5,970,172)
Net cash used in operations	<u>15,014,836</u>	<u>756,721</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment	(11,155,500)	-
Long term loans	4,850,000	-
Proceeds from disposal property, plant and equipment	-	15,000
Net cash used in investing activities	<u>(6,305,500)</u>	<u>15,000</u>
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/proceeds from:		
Decrease in short term borrowings	-	201,496
Net cash generated from financing activities	<u>-</u>	<u>201,496</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>8,709,337</u>	<u>973,218</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,137,212</u>	<u>2,776,370</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>12,846,549</u>	<u>3,749,588</u>

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

Lahore
November 29, 2018

(Khawaja Muhammad Jahangir) (Mr. Muhammad Naveed) (Mr. Muhammad Saeed Zafar)
Chairman Chief Executive Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

	Share Capital	Premier Share	Revenue Reserves		Total
			Accumulated	Fair Value	
			Loss	Reserves	
(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Balance as at July 01, 2017	650,000,000	-	(259,666,018)	(584,200)	389,749,782
Loss for the period ended after taxation		-	(266,635,892)	-	(266,635,892)
Unrealized gain due to change in fair Value of long term investment	-	-	-	86,487	86,487
Balance as on September 30, 2017	650,000,000	-	(526,301,910)	(497,713)	123,200,377
Balance as on 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)
Unrealised 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)

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

Lahore
November 29, 2018


(Khawaja Muhammad Jahangir)
Chairman


(Mr. Muhammad Naveed)
Chief Executive


(Mr. Muhammad Saeed Zafar)
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018****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 Ordinance, 1984 and is quoted on Karachi stock exchange. The registered office of the company is situated at 7/1, E/3, Main Boulevard Gulberg III, Lahore. The company is engaged in the business of textile spinning.

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 Ordinance, 1984. 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 Ordinance, 1984 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, 2018.

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, 2018.

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 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 2018.

	Notes	Un-Audited Sep. 30, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
5. SHARE CAPITAL			
Issued, subscribed and paid up			
213,439,285 (June 30, 2018 -127,725,000) ordinary shares of Rupees 5/- each, issued for cash		638,625,000	1,067,196,425
2,275,000 (June 30, 2018 -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>1,078,571,425</u>
6. PROPERTY, PLANT AND EQUIPMENT			
Opening writtendown value		1,803,695,797	1,874,653,782
Additions during the period	6.1	-	91,389,600
Transfer during the period	6.2	-	23,723,770
		<u>1,803,695,797</u>	<u>1,989,767,152</u>
Deletion during the period	6.3	11,155,500	(104,416,206)
		<u>1,814,851,297</u>	<u>1,885,350,946</u>
Depreciation charged during the period		(23,640,562)	(97,017,529)
Depreciation Adjusted during the period		-	15,362,380
		<u>1,791,210,735</u>	<u>1,803,695,797</u>
LEASED			
Opening writtendown value		17,425,406	38,350,963
Additions during the period		-	-
		<u>17,425,406</u>	<u>38,350,963</u>
Transfer during the period	6.4	-	(23,723,770)
		<u>17,425,406</u>	<u>14,627,193</u>
Amortization charged during the period		(220,275)	(1,917,549)
Amortization adjusted during the period		-	4,715,762
		<u>17,205,131</u>	<u>17,425,406</u>
		<u>1,808,415,866</u>	<u>1,821,121,203</u>
6.1 ADDITION DURING THE PERIOD			
Plant and machinery		10,905,500	91,389,600
Vehicle		250,000	-
		<u>11,155,500</u>	<u>91,389,600</u>
6.2 TRANSFER DURING THE PERIOD			
		-	23,723,770
Plant and machinery		-	23,723,770

	Un-Audited Sep. 30, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
6.3 DELETION DURING THE PERIOD		
Plant and machinery	-	(98,845,236)
Vehicles	-	(5,570,970)
	-	(104,416,206)
LEASED		
6.4 TRANSFER DURING THE PERIOD		
Plant and machinery	-	(23,723,770)
	-	(23,723,770)
7. LONG TERM INVESTMENTS		
Held as available for sale		
Others - Quoted		
KASB Modaraba (Former First Mehran Modaraba) 166,320 modaraba certificates of Rupees 10 each.	249,480	415,800
	249,480	415,800
8. STOCK-IN-TRADE		
Raw material	689,274,187	688,015,829
Work-in-process	34,157,763	29,690,802
Finished goods	103,414,563	60,837,891
Waste	2,494,248	2,780,651
	829,340,761	781,325,173
9. COST OF SALES		
	Un-Audited Sep. 30, 2018 (Rupees)	Un-Audited Sep. 30, 2017 (Rupees)
Cost of goods manufactured	1,033,001,824	758,069,626
Opening stock of finished goods	63,618,543	68,468,951
Closing stock of finished goods	(105,908,811)	(111,904,480)
	990,711,556	714,634,097

10. TAXATION	Un-Audited Sep. 30, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
Opening balance	19,259,573	21,278,983
For the current period	12,623,015	24,298,149
For the Prior period	-	(20,630,464)
	31,882,588	24,946,668
Less: adjusted	(531,851)	(5,687,095)
Closing balance	<u>31,350,737</u>	<u>19,259,573</u>

11. (LOSS) PER SHARE - Basic & Diluted	Un-Audited Sep. 30, 2018 (Rupees)	Un-Audited Sep. 30, 2017 (Rupees)
(Loss) after taxation	(58,884,022)	(52,693,694)
Weighted average number of ordinary shares	215,714,285	130,000,000
(Loss) per share - Basic & Diluted	<u>(0.27)</u>	<u>(0.41)</u>

11.1 Diluted earning per share

There is no dilution effect on the basic earning per share of the company as the company has no such commitments.

12. AUTHORISATION FOR ISSUE

These condensed interim Financial statement have been authorised for issue on November 29, 2018 by the Board of Directors of the company.

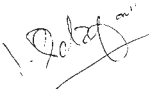
13. GENERAL

Figures have been rounded off to the nearest rupee.

Lahore
November 29, 2018


(Khawaja Muhammad Jahangir)
Chairman


(Mr. Muhammad Naveed)
Chief Executive


(Mr. Muhammad Saeed Zafar)
Chief Financial Officer

Book Post

Printed Matter

If undelivered please return to:

Kohinoor Spinning Mills Limited
Corporate & Shares Department
7/1-E-3 Main Boulevard Gulberg III, Lahore.
Tel : (042) 35717510 Fax : (042) 35755760