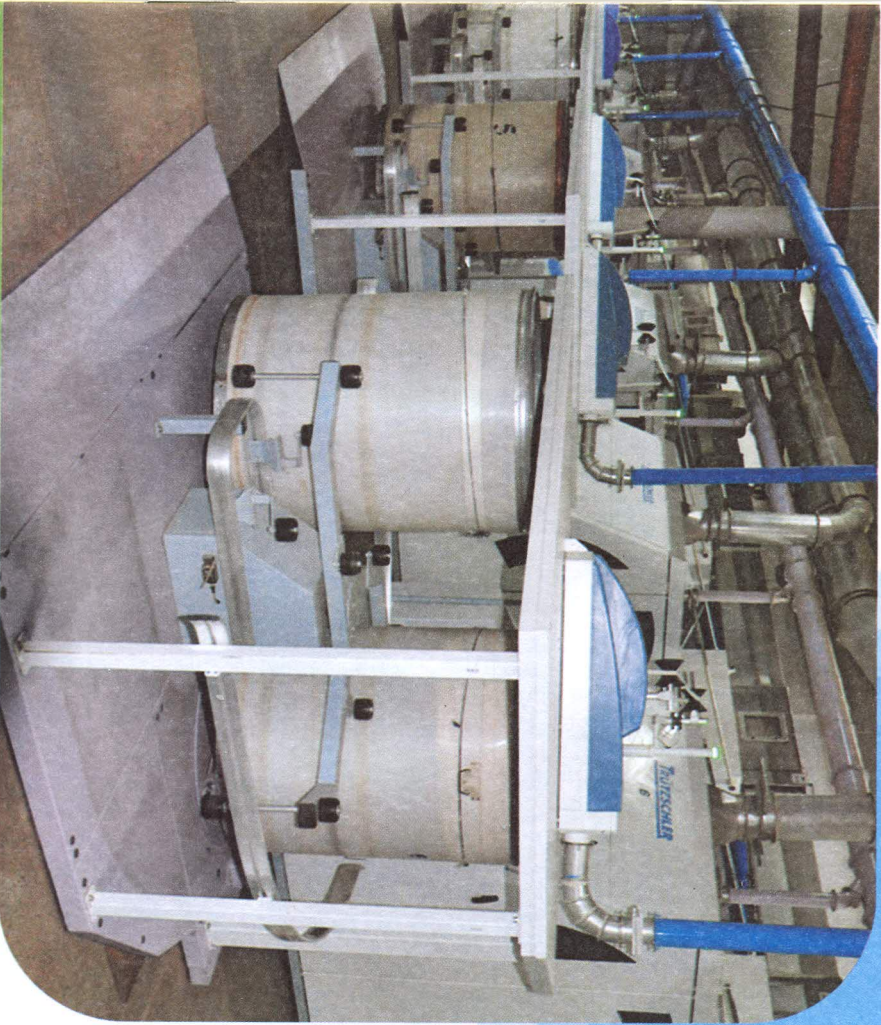




KOHINOOR SPINNING MILLS LIMITED



HALF YEARLY REPORT
UN-AUDITED
For the Period Ended
December 31, 2015

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Khawaja Mohammad Jahangir	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Khawaja Mohammad Nadeem	(Member)

HR & REMUNERATION COMMITTEE

Khawaja Mohammad Kaleem	(Chairman)
Khawaja Mohammad Nadeem	(Member)
Mr. Mohammad Naveed	(Member)

CORPORATE SECRETARY

Hasan Ahmed Khan

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 & Agricultural Investment Company Limited

AUDITOR

Nasir Javid Magsood Intran
 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) 358869037

MILLS

Unit I & II
 Aminabad, Chakwal
 Tel : (0543) 644254 - 644281
 Unit III
 Yousaf Nagar, Bhoun Road,
 Chakwal
 Tel: (0543)452070-71

**AUDITOR'S REPORT TO THE MEMBERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Kohinoor Spinning Mills Limited** as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan relating to the interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consist of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Islamabad:
February 26, 2016

**Nasir Javid Magsood Imran
Chartered Accountants**

Imran Ul Haq, FCA

DIRECTORS' REPORT

On behalf of the Directors of **Kohinoor Spinning Mills Limited**, it is my pleasure to present six months accounts for the period ended 31 December 2015.

Your Company has incurred a net loss of Rs. 15.203 million as compared to a net loss of Rs. 50.407 million for the corresponding period last year. We were able to achieve these results with better management of cotton procurement.

After raw material management, fuel and power availability is our most serious concern. The availability of WAPDA supplied electricity is erratic, though, these days we are getting 24 hours electricity from WAPDA. Prime Minister had announced Rs. 3/unit relief for industry with effect from January 2016. However, we could not get this relief for the month of January 2016 as Government gave only fuel price adjustment. We have filed an application for relief in the Honorable Islamabad High Court. We are hopeful to get 01 mmcf LNG at US \$ 6.6 in March 2016. This would result in better results at the end of day. These days we are getting 04 hours per day LNG and that too at costly rate.

State Bank of Pakistan (SBP) has reduced discount rate consistently in monetary policies. This is a step towards right direction. However, we still believe that SBP should reduce discount rate more to give Pakistani entrepreneurs some space to compete globally. All over the world, mark up rates are kept on lower side to encourage economic activities.

In the end, I assure you that the management of your company will continue its efforts to improve the overall performance of the Company through increased productivity, cost control and by devising innovative marketing strategies.

For and on behalf of the Board

Lahore:
February 26, 2016

(MOHAMMAD NAVEED)
Chief Executive

CONDENSED INTERIM BALANCE SHEET

	Notes	Un-Audited December 31, 2015 (Rupees)	Audited June 30, 2015 (Rupees)
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital		650,000,000	650,000,000
130,000,000 (June 30, 2015 - 130,000,000) ordinary shares of Rs.5 each			
Issued, subscribed and paid up capital		650,000,000	650,000,000
130,000,000 (June 30, 2015 - 130,000,000) ordinary shares of Rs.5 each	5	177,065,624	192,304,938
Accumulated profit		827,065,624	842,304,938
Sub-ordinated loan from directors		700,000,000	700,000,000
NON-CURRENT LIABILITIES			
Long term loans		282,352,940	329,411,764
Liabilities against assets subject to finance lease		5,936,945	15,749,077
Supplier's credit		51,838,869	51,838,869
Deferred liabilities for gratuity		121,630,746	117,902,969
		461,759,500	514,902,679
CURRENT LIABILITIES			
Trade and other payables		242,975,883	231,634,423
Accrued interest on loans and borrowings		38,286,037	43,276,302
Short-term borrowings		1,307,810,605	1,577,354,453
Current portion of non current liabilities		167,397,371	147,965,653
Provision for taxation		14,710,586	13,109,285
		1,771,180,482	2,013,340,116
CONTINGENCIES AND COMMITMENTS			
	6	3,760,005,606	4,070,547,733

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

Lahore:
February 26, 2016

(Mohammad Naveed)
Chief Executive

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AS AT DECEMBER 31, 2015 (UN-AUDITED)

	Notes	Un-Audited December 31, 2015 (Rupees)	Audited June 30, 2015 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
	7	2,057,834,921	2,085,557,422
LONG TERM INVESTMENTS			
Long term Loans		20,587,843	20,713,699
Long term deposits		10,576,342	10,561,342
Long term investments	8	495,633	532,223
		31,659,818	31,807,264
CURRENT ASSETS			
Stores and spares		78,109,288	92,447,285
Stock-in-trade		1,201,115,182	1,345,357,207
Trade debts		277,365,447	392,476,476
Loans and advances		59,361,435	67,815,170
Trade deposits, short term prepayments and other receivables		45,777,462	44,362,569
Cash and bank balances		8,782,053	10,724,341
	9	1,670,510,867	1,953,183,048
CONTINGENCIES AND COMMITMENTS			
		3,760,005,606	4,070,547,733

(Khawaja Mohammad Jahangir)
Director

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half Year Ended		Quarter Ended	
	Dec. 31, 2015 (Rupees)	Dec. 31, 2014 (Rupees)	Dec. 31, 2015 (Rupees)	Dec. 31, 2014 (Rupees)
SALES - NET	2,400,851,755	3,040,737,955	1,143,444,977	1,535,142,836
COST OF SALES	(2,164,342,951)	(2,816,876,766)	(1,008,382,646)	(1,483,091,788)
GROSS PROFIT	236,508,804	223,861,189	135,062,331	52,051,048
OPERATING EXPENSES				
Distribution Cost	(58,784,300)	(82,357,501)	(28,246,569)	(50,036,774)
Administrative	(59,444,988)	(57,826,158)	(18,664,764)	(17,878,161)
	(118,229,288)	(140,183,659)	(46,911,333)	(67,914,935)
OPERATING PROFIT/(LOSS)	118,279,516	83,677,530	88,150,998	(15,863,887)
Financial cost	(113,621,375)	(131,035,886)	(55,841,840)	(62,721,627)
Other operating expense	4,147,653	27,358,731	812,949	1,582,482
Other operating income	(109,473,722)	(103,677,155)	(55,028,891)	26,936,259
PROFIT/(LOSS) BEFORE TAXATION	8,805,794	(19,999,625)	33,122,107	(50,066,773)
TAXATION				
(LOSS)/PROFIT AFTER TAXATION	(24,008,518)	(30,407,380)	(11,434,450)	(15,351,429)
(LOSS)/EARING PER SHARE - BASIC	(15,202,724)	(50,407,005)	21,687,657	(65,418,202)
	(0.12)	(0.39)	0.17	(0.50)

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

Lahore:
February 26, 2016

(Mohammad Naveed)
Chief Executive

(Khawaja Mohammad Jahangir)
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half Year Ended		Quarter Ended	
	Dec. 31, 2015 (Rupees)	Dec. 31, 2014 (Rupees)	Dec. 31, 2015 (Rupees)	Dec. 31, 2014 (Rupees)
(Loss)/profit after taxation	(15,202,724)	(50,407,005)	21,687,657	(65,418,202)
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	(36,590)	(216,216)	(69,853)	(340,957)
Items that will not be reclassified to profit and loss	-	-	-	-
Total comprehensive (Loss)/Income	(15,239,314)	(50,623,221)	21,617,804	(65,759,159)

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

Lahore:
February 26, 2016

(Mohammad Naveed)
Chief Executive

(Khawaja Mohammad Jahangir)
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	December 31, 2015 Un-Audited (Rupees)	December 31, 2014 Un-Audited (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES	8,805,794	(19,999,625)
Profit/(loss) before taxation		
Adjustments of non cash changes and other items:		
Depreciation / amortization	54,828,739	47,469,459
Gratuity	20,993,938	20,302,338
Gain on sale of fixed assets	-	(1,189,086)
Dividend income	16,008	-
Financial cost	113,621,375	131,035,886
Operating profit before working capital changes	198,265,854	177,618,972
(Increase)/decrease in current assets		
Stores and spares	14,337,997	7,688,386
Stock-in-trade	144,242,025	269,315,928
Trade debts	115,111,030	7,473,906
Loan & advances	8,453,735	19,215,722
Trade deposits, prepayments & other receivables	(1,414,893)	(20,106,066)
	280,729,894	283,587,876
Increase/decrease in current liabilities		
Trade and other payables	11,341,460	(63,517,646)
	490,337,208	397,689,202
Financial cost paid	(118,611,640)	(134,987,714)
Income tax paid	(20,523,922)	(28,199,456)
Dividend paid	-	(5,910,560)
Gratuity paid	(17,266,825)	(8,324,305)
Net cash used in operations	333,934,821	220,267,166
CASH FLOW FROM INVESTING ACTIVITIES	(38,722,393)	(100,166,077)
Property, Plant & Equipment	125,856	(1,502,530)
Long term loans	9,702,514	1,600,000
Proceeds from disposal property, plant and equipment	(28,894,023)	(100,068,607)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES	(23,529,412)	400,000,000
(Repayments)/proceeds from:		
Increase/Decrease in long term financing	(17,349,017)	(17,349,017)
Decrease in finance lease liabilities	(13,909,826)	(107,912,840)
Decrease in supplier's credit	-	(395,326,091)
Decrease in short term borrowings	(269,543,848)	(395,326,091)
Net cash generated from financing activities	(306,983,086)	(120,567,948)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,942,288)	(389,389)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	10,724,341	10,910,082
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,782,053	10,520,693

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

Lahore: (Mohammad Naveed) Chief Executive
February 26, 2016

(Khawaja Mohammad Jahangir) Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Share Capital (Rupees)	Accumulated Profit (Rupees)	Total (Rupees)
Balance as at July 01, 2014	650,000,000	488,020,366	1,138,020,366
Loss for the half year ended after taxation	-	(50,407,005)	(50,407,005)
Dividend for the year 2013-2014	-	(6,131,462)	(6,131,462)
Unrealized (loss) due to change in fair value of long term investment	-	(216,216)	(216,216)
Balance as on December 31, 2014	650,000,000	431,265,683	1,081,265,683
Balance as on July 01, 2015	650,000,000	192,304,938	842,304,938
(Loss) for the half year ended after taxation	-	(15,202,724)	(15,202,724)
Unrealised (loss) due to change in fair value of long term investment	-	(36,590)	(36,590)
Balance as on December 31, 2015	650,000,000	177,065,624	827,065,624

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

Lahore: (Mohammad Naveed) Chief Executive
February 26, 2016

(Khawaja Mohammad Jahangir) Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

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, 2015.

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, 2015.

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 judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments 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 2015.

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 2015.

5. SHARE CAPITAL

Issued, subscribed and paid up	Notes	Un-Audited Dec. 31, 2015 (Rupees)	Audited June 30, 2015 (Rupees)
127,725,000 (June 30, 2015 -127,725,000) ordinary shares of Rupees 5/- each, issued for cash		638,625,000	638,625,000
2,275,000 (June 30, 2015 -2,275,000) ordinary shares of Rupees 5/- each, issued as bonus shares		11,375,000	11,375,000
		650,000,000	650,000,000

6. COMMITMENTS

(i) Letter of credits for Import of raw material		19,156 Million	58,771 Million
(ii) Letter of credits machinery & parts		-	14,494 Million

7. PROPERTY, PLANT AND EQUIPMENT

Opening writtedown value	7.1	1,994,965,644	1,608,864,505
Additions during the period	7.2	38,722,393	210,237,787
Transfer during the period		-	278,233,037
Deletion/transfer during the period	7.3	2,033,688,037	2,097,335,329
		(9,702,514)	(8,386,084)
Depreciation charged during the period		2,023,985,523	2,088,949,245
Eliminated on disposal		(53,157,586)	(96,349,229)
		-	2,365,628
		1,970,827,937	1,994,965,644

LEASED

Opening writtedown value		90,591,778	92,725,673
Additions/transfer during the period	7.4	-	4,762,500
Deletion/transfer during the period		90,591,778	97,488,173

Amortization charged during the period

		90,591,778	97,488,173
		(3,584,794)	(6,896,395)
		87,006,984	90,591,778
		2,057,834,921	2,085,557,422

7.1 ADDITIONS DURING THE PERIOD

Factory building on freehold land	1,874,922	90,167,918
Plant and machinery	36,308,471	110,230,667
Electric installation	300,000	1,726,676
Office equipment	175,500	601,976
Vehicles	63,500	7,510,550
	38,722,393	210,237,787

7.2 TRANSFER DURING THE PERIOD

Factory building on freehold land	-	129,065,719
Plant and machinery	-	149,167,318
	-	278,233,037

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
7.3 DELETION/TRANSFER DURING THE PERIOD				
Vehicles	9,702,514		8,386,084	
	(Rupees)		(Rupees)	
7.4 ADDITIONS/TRANSFER DURING THE PERIOD				
Vehicles	-		4,762,500	
			4,762,500	
8. LONG TERM INVESTMENTS				
Held as available for sale				
Others - Quoted				
KASB Modaraba (Former First Mehran Modaraba)	495,633		532,223	
166,320 modaraba certificates of Rupees 10 each.	495,633		532,223	
9. STOCK-IN-TRADE				
Raw material	859,068,134	920,609,685		
Work-in-process	119,232,969	138,645,953		
Finished goods	215,712,537	280,053,044		
Waste	7,101,542	6,048,525		
	1,201,115,182	1,345,357,207		
10. COST OF SALES				
Cost of goods manufactured	2,101,055,461	2,752,629,262	976,778,880	1,476,528,948
Opening stock of finished goods	286,101,569	315,052,981	254,417,845	257,368,317
Closing stock of finished goods	(222,814,079)	(250,805,477)	(222,814,079)	(250,805,477)
	2,164,342,951	2,816,876,766	1,008,382,646	1,483,091,788

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
11. TAXATION				
Opening balance	13,109,285	11,313,375		
For the current period	24,008,518	15,055,951		
Less: adjusted	37,117,803	26,369,326		
Closing balance	(22,407,218)	(12,821,959)		
	14,710,586	13,547,367		

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
12. (LOSS)/EARNING PER SHARE - Basic				
(Loss)/Profit after taxation	(15,202,724)	(50,407,005)	21,687,657	(65,418,202)
Weighted average number of ordinary shares	130,000,000	130,000,000	130,000,000	130,000,000
(Loss)/Earning per share - Basic	(0.12)	(0.39)	0.17	(0.50)

12.1 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.

13. 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, 2015 entered to following transactions with its related parties:

	December 31, 2015	December 31, 2014
Purchase of raw material and goods (Chakwal Textile Mills Ltd.)	2,728,649	-

14. AUTHORISATION FOR ISSUE
These condensed interim Financial statement have been authorised for issue on February 26, 2016 by the Board of Directors of the company.

15. GENERAL
Figures have been rounded off to the nearest rupee.

Lahore:
February 26, 2016
(Mohammad Naveed) Chief Executive
(Khawaja Mohammad Jahangir) Director

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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) 35757108 Fax: (042) 3575 5760