



Kohinoor
Spinning Mills Limited



HALF YEARLY REPORT

UN-AUDITED

For the Period Ended
December 31, 2016

COMPANY INFORMATION**BOARD OF DIRECTORS**

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

CORPORATE SECRETARY

Hasan Ahmed Khan	ACA
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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

AUDITOR

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

**NASIR JAVAID MAQSOOD IMRAN**
Chartered AccountantsIslamabad Office:
Office # 12 & 13 3rd Floor
Fazal Arcade,
F-11 Markaz, Islamabad.
Tel: 051-2228138
Fax: 051-2228139
E-mail:
njmiconsultants@gmail.com**AUDITORS' 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, 2016 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, 2016 and December 31, 2015 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, 2016.

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 inquires 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.

Date: 27th Feb, 2017
Place: Islamabad
Nasir Javaid Maqsood Imran
Chartered Accountants

Imran Ul Haq, FCA

Karachi Office:

904, 9th Floor, Q.M. House, Plot No. 11/2, Ellander Road, Opp. Shaheen Complex, Off. I.I Chundrigar Road, Karachi Pakistan
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Office # 1102, Al-Hafeez Heights, 66-D/1, Ghalib Road, Gulberg-III, Lahore

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 2016.

Your Company has incurred a net loss of Rs. 266.636 million as compared to a net loss of Rs. 15.203 million for the corresponding period last year. The Company sale took a nose dive and touched Rs. 842.268 million as compared to Rs. 2.401 billion for the corresponding period last year. This deterioration in performance is due to operation of our production plants at below capacity.

Raw material prices are rising every day, but yarn prices are not reflecting rise in material prices. This phenomenon results in huge losses. 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 has announced a package of Rs. 180 billion for textile industry. This package envisages 4% rebate on yarn export. We are of the opinion that if Government had implemented Rs. 3/unit relief for industry in WAPDA bills in true spirit, the need of new package would not have arisen. To make textile package more effective, we suggest that the Government should not interfere in foreign currency market. This non interference would result in weakening of Pak rupee and in turn we would get more export orders. Though, our Unit-3 is using LNG as prime fuel, the pressure of this fuel is almost 50% of required pressure.

Despite Government relief package, it is becoming increasingly difficult for us to keep the Company operational while bearing huge losses. The shareholders of the Company have approved conversion of Directors' loan into equity in the AGM held on 30th December 2016. This shows Directors' intention to keep the project running even in these difficult times.

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



(Khawaja Muhammad Kaleem)
Director

Lahore:
February 27, 2017

ڈائریکٹرز رپورٹ

کوئٹہ اسپننگ ملز کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 دسمبر 2016 پر اختتام شدہ ششماہی کے حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

آپ کی کمپنی کو پچھلے سال کے 15.203 ملین روپے کے خالص نقصان کے مقابلے میں اس سال 266.636 ملین روپے خالص نقصان ہوا ہے۔ کمپنی کی فروخت نے غیر معمولی جوہد اختیار کیا اور پچھلے سال کی 2401 ملین روپے فروخت کے مقابلے میں اس سال 842.268 ملین روپے تک رہی۔ کارکردگی میں اس زوال کی وجہ ہمارے پیداواری پلانٹ کا استعداد سے کم چلنا ہے۔

خام مال کی قیمتوں میں روزانہ کی بنیاد پر اضافہ ہو رہا ہے مگر دھاگے کی قیمتوں میں خام مال کی قیمتوں کی بڑھوتری کا اثر نہیں ہے۔ جس کی وجہ سے بڑے پیمانے پر نقصان ہوتا ہے۔ خام مال کے بعد ایندھن اور بجلی کی فراہمی ہمارے لیے اہم ترین ہے۔ واپڈا کی بجلی قسط کا شکار رہتی ہے تاہم آج کل واپڈا کی بجلی 24 گھنٹے مہیا ہو رہی ہے۔ وزیراعظم نے ٹیکسٹائل کی صنعت کے لیے 180 ملین روپے کے سیکینج کا اعلان کیا ہے۔ یہ سیکینج دھاگے کی برآمدات پر 4% چھوٹ کی تجویز دیتا ہے۔ ہمارے خیال میں اگر گورنمنٹ نے واپڈا کے بلوں میں حقیقی معنوں میں 3 روپے فی یونٹ چھوٹ دے دی ہوتی تو اس نئے سیکینج کی ضرورت پیش نہ آتی۔ ٹیکسٹائل سیکینج کو زیادہ موثر بنانے کے لیے ہم یہ تجویز پیش کرتے ہیں کہ گورنمنٹ کو چاہیے کہ وہ بیرونی کرنسی کی مارکیٹ میں دخل اندازی نہ کرے۔ اس سے پاکستانی روپے کی قدر میں کمی ہوگی اور بدلے میں ہمیں زیادہ آرڈر ملیں گے۔ اگرچہ ہمارے 3 نمبر یونٹ پر LNG بطور مرکزی ایندھن استعمال ہوتا ہے لیکن اس کا دباؤ درکار دباؤ کا تقریباً 50% ہے۔

باوجود گورنمنٹ سیکینج کے، وسیع نقصانات کے ساتھ کمپنی کو چلانا مشکل ہوتا جا رہا ہے۔ کمپنی کے حصہ داران نے 30 دسمبر 2016 کو ہونے والی AGM میں ڈائریکٹروں کے ادھار کو ایکٹیوٹی میں بدلنے کی اجازت دی۔ یہ ڈائریکٹروں کے اس ارادے کو ظاہر کرتا ہے کہ وہ ان مشکل حالات میں بھی کام جاری رکھنا چاہتے ہیں۔

آخر میں، میں آپ کو یقین دلاتا ہوں 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۔

بورڈ آف ڈائریکٹرز کی طرف سے


خواجہ محمد کلیم
(ڈائریکٹر)

لاہور

تاریخ: 27 فروری 2017

CONDENSED INTERIM BALANCE SHEET

	Un-Audited December 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised Capital 300,000,000 (June 30, 2016 - 300,000,000) ordinary shares of Rs.5 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital 130,000,000 (June 30, 2016 - 130,000,000) ordinary shares of Rs.5 each 5	650,000,000	650,000,000
Reserves	(526,799,623) 123,200,377	(260,250,218) 389,749,782
NON-CURRENT LIABILITIES		
Loan from directors	700,000,000	700,000,000
Long term Loans	211,764,704	258,823,528
Liabilities against assets subject to finance lease	529,156	1,322,908
Supplier's credit	-	25,761,117
Deferred liabilities for gratuity	104,281,999	107,820,874
	1,016,575,859	1,093,728,427
CURRENT LIABILITIES		
Trade and other payables	313,171,219	290,226,366
Accrued Interest on loans and borrowings	75,956,977	43,777,952
Short-term borrowings	1,452,238,918	1,436,048,839
Current portion of non current liabilities	268,132,628	197,594,019
Provision for taxation	14,679,513	17,740,275
	2,124,179,255	1,985,387,452
	3,263,955,491	3,468,865,660

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

These accounts are signed by two directors, as the Chief Executive of the Company is outside Pakistan. This is to comply with the requirement of section 241 of the Company Ordinance 1984.

Lahore:
February 27, 2017


(Khawaja Muhammad Jahangir)
Director

AS AT DECEMBER 31, 2016 (UN-AUDITED)

	Notes	Un-Audited December 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,978,180,876	2,027,131,797
Long term Loans		21,121,275	21,033,597
Long term deposits		10,561,342	10,561,342
Long term investments	7	502,287	415,800
		2,010,365,780	2,059,142,536
CURRENT ASSETS			
Stores and spares		88,731,145	99,900,905
Stock-in-trade	8	1,000,161,625	953,484,657
Trade debts		96,651,293	276,652,482
Loans and advances		39,884,366	41,718,559
Trade deposits, short term prepayments and other receivables		17,333,505	26,553,720
Cash and bank balances		10,827,777	11,412,802
		1,253,589,711	1,409,723,125
		3,263,955,491	3,468,865,660



(Khawaja Muhammad Kaleem)
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

Notes	Half Year Ended		Quarter Ended	
	Dec. 31, 2016 (Rupees)	Dec. 31, 2015 (Rupees)	Dec.31, 2016 (Rupees)	Dec. 31, 2015 (Rupees)
SALES - NET	842,267,820	2,400,851,755	555,977,246	1,143,444,977
COST OF SALES	9 (974,811,973)	(2,164,342,951)	(671,153,229)	(1,008,382,646)
GROSS (LOSS)/PROFIT	(132,544,153)	236,508,804	(115,175,983)	135,062,331
OPERATING EXPENSES				
Distribution Cost	(7,170,345)	(58,784,300)	(1,497,767)	(28,246,569)
Administrative	(46,625,894)	(59,444,988)	(24,398,801)	(18,664,764)
	(53,796,239)	(118,229,288)	(25,896,568)	(46,911,333)
OPERATING (LOSS)/PROFIT	(186,340,392)	118,279,516	(141,072,551)	88,150,998
Financial cost	(82,025,744)	(113,621,375)	(59,443,536)	(55,841,840)
Other operating expense	-	-	-	-
Other operating income	1,828,238	4,147,653	298,311	812,949
	(80,197,506)	(109,473,722)	(59,145,225)	(55,028,891)
(LOSS)/PROFIT BEFORE TAXATION	(266,537,898)	8,805,794	(200,217,776)	33,122,107
TAXATION	10 (97,994)	(24,008,518)	3,060,603	(11,434,450)
(LOSS)/PROFIT AFTER TAXATION	(266,635,892)	(15,202,724)	(197,157,173)	21,687,657
(LOSS)/EARNING PER SHARE - BASIC & DILUTED	11 (2.05)	(0.12)	(1.52)	0.17

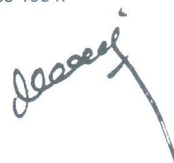
The annexed notes form an integral part of these condensed interim financial information.

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Lahore:
February 27, 2017

(Khawaja Muhammad Jahangir)
Director



(Khawaja Muhammad Kaleem)
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half Year Ended		Quarter Ended	
	Dec. 31, 2016 (Rupees)	Dec. 31, 2015 (Rupees)	Dec. 31, 2016 (Rupees)	Dec. 31, 2015 (Rupees)
(Loss)/profit after taxation	(266,635,892)	(15,202,724)	(197,157,173)	(50,407,005)
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	86,487	(36,590)	86,487	(69,853)
Items that will not reclassified to profit and loss	-	-	-	-
Total comprehensive (Loss)/Income	(266,549,405)	(15,239,314)	(197,070,686)	(50,476,858)

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

These accounts are signed by two directors, as the Chief Executive of the Company is outside Pakistan. This is to comply with the requirement of section 241 of the Company Ordinance 1984.



Lahore:
February 27, 2017

(Khawaja Muhammad Jahangir)
Director



(Khawaja Muhammad Kaleem)
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Share Capital	Revenue Reserves		Total
		Accumulated Profit/(Loss)	Fair Value Reserve	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2015	650,000,000	192,772,714	(467,776)	842,304,938
Loss for the half year ended after taxation	-	(15,202,724)	-	(15,202,724)
Unrealized (loss) due to change in fair value of long term investment	-	-	(36,590)	(36,590)
Balance as on December 31, 2015	650,000,000	177,569,990	(504,366)	827,065,624
Balance as on July 01, 2016	650,000,000	(259,666,018)	(584,200)	389,749,782
(Loss) for the half year ended after taxation	-	(266,635,892)	-	(266,635,892)
Unrealised gain due to change in fair value of long term investment	-	-	86,487	86,487
Balance as on December 31, 2016	650,000,000	(526,301,910)	(497,713)	123,200,377

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

These accounts are signed by two directors, as the Chief Executive of the Company is outside Pakistan. This is to comply with the requirement of section 241 of the Company Ordinance 1984.



Lahore:
February 27, 2017

(Khawaja Muhammad Jahangir)
Director



(Khawaja Muhammad Kaleem)
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	December 31, 2016 Un-Audited (Rupees)	December 31, 2015 Un-Audited (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(266,537,898)	8,805,794
Adjustments of non cash charges and other items:		
Depreciation / amortization	54,566,381	54,828,739
Gratuity	14,235,348	20,994,945
(Loss) on sale of fixed assets	(1,799,530)	-
Interest income	(28,708)	(16,008)
Financial cost	82,025,744	113,621,375
Operating profit / (loss) before working capital changes	(117,538,663)	198,234,845
(Increase)/decrease in current assets		
Stores and spares	11,169,760	14,337,997
Stock-in-trade	(46,676,968)	144,242,025
Trade debts	180,001,189	115,111,030
Loan & advances	1,834,193	8,453,735
Trade deposits, prepayments & other receivables	9,220,215	(1,414,893)
	155,548,389	280,729,894
Increase in current liabilities		
Trade and other payables	22,944,853	11,341,460
	60,954,579	490,306,199
Financial cost paid	(49,846,719)	(118,611,640)
Income tax paid	(3,158,756)	(20,523,922)
Gratuity paid	(17,774,223)	(17,266,825)
Net cash generated from / (used in) operations	(9,825,119)	333,903,812
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment	(6,740,932)	(38,722,393)
Long term loans	(87,678)	125,856
Long term deposits	-	15,000
Proceeds from disposal of property, plant and equipment	2,925,000	9,702,514
Interest income	28,708	16,008
Net cash used in investing activities	(3,874,902)	(28,863,015)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/proceeds from:		
Long term financing	-	(23,529,412)
Finance lease liabilities	(3,075,084)	(13,909,826)
Short term borrowings	16,190,079	(269,543,848)
Net cash generated from (used in) financing activities	13,114,995	(306,983,086)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(585,025)	(1,942,289)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,412,802	10,724,341
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10,827,777	8,782,052

The annexed notes form an integral part of these condensed interim financial information.
These accounts are signed by two directors, as the Chief Executive of the Company is outside Pakistan.
This is to comply with the requirement of section 241 of the Company Ordinance 1984.

Lahore:
February 27, 2017

(Khawaja Muhammad Jahangir)
Director

(Khawaja Muhammad Kaleem)
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

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, 2016.

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, 2016.

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 2016.

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 2016.

	Notes	Un-Audited Dec. 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)
5. SHARE CAPITAL			
Issued, subscribed and paid up			
127,725,000 (June 30, 2016 -127,725,000) ordinary shares of Rupees 5/- each, issued for cash		638,625,000	638,625,000
2,275,000 (June 30, 2016 -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. PROPERTY, PLANT AND EQUIPMENT			
Opening writtendown value		1,982,213,830	1,994,965,555
Additions during the period	6.1	6,740,932	63,744,338
Transfer during the period	6.2	-	61,993,098
		1,988,954,762	2,120,702,991
Deletion/transfer during the period	6.3	(3,831,288)	(9,702,524)
		1,985,123,474	2,111,000,467
Depreciation charged during the period		(53,077,902)	(105,415,739)
Depreciation Adjusted during the period		2,705,818	(23,370,897)
		1,934,751,390	1,982,213,830
LEASED			
Opening writtendown value		44,917,967	90,591,878
Additions/transfer during the period		-	-
		44,917,967	90,591,878
Transfer during the period	6.4	-	(61,993,098)
		44,917,967	28,598,780
Amortization charged during the period		(1,488,481)	(7,051,710)
Amortization adjusted during the period		-	23,370,897
		43,429,486	44,917,967
		1,978,180,876	2,027,131,797
6.1 ADDITIONS DURING THE PERIOD			
Factory building on freehold land		-	2,853,460
Plant and machinery		6,740,931	55,163,209
Electric installation		-	5,488,669
Office equipment		-	175,500
Vehicles		-	63,500
		6,740,931	63,744,338
6.2 TRANSFERS DURING THE PERIOD			
Plant and machinery		-	40,411,633
Vehicles		-	21,581,465
		-	61,993,098
6.3 DELETION/TRANSFER DURING THE PERIOD			
Plant and machinery		(3,831,288)	(9,702,524)
		(3,831,288)	(9,702,524)
6.4 TRANSFERS DURING THE PERIOD			
Plant and machinery		-	(40,411,633)
Vehicles		-	(21,581,465)
		-	(61,993,098)

	Un-Audited December 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)		
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.	502,287	415,800		
	<u>502,287</u>	<u>415,800</u>		
8. STOCK-IN-TRADE				
Raw material	649,438,288	636,838,628		
Work-in-process	145,030,947	115,616,723		
Finished goods	204,325,393	197,853,665		
Waste	1,366,997	3,175,641		
	<u>1,000,161,625</u>	<u>953,484,657</u>		
9. COST OF SALES				
	Half Year Ended	Quarter Ended		
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cost of goods manufactured	979,475,057	2,101,055,461	708,019,089	976,778,880
Opening stock of finished goods	201,029,306	286,101,569	168,826,530	254,417,845
Closing stock of finished goods	(205,692,390)	(222,814,079)	(205,692,390)	(222,814,079)
	<u>974,811,973</u>	<u>2,164,342,951</u>	<u>671,153,229</u>	<u>1,008,382,646</u>
			Un-Audited December 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)
10. TAXATION				
Opening balance	17,740,275	13,109,285		
For the current period	97,994	12,574,068		
	17,838,269	25,683,353		
Less: adjusted	(3,158,756)	(11,372,908)		
Closing balance	<u>14,679,513</u>	<u>14,310,445</u>		

11. (LOSS)/EARNING PER SHARE - Basic & Diluted

	Half Year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
(Loss)/Profit after taxation	(266,635,892)	(15,202,724)	(197,157,173)	21,687,657
Weighted average number of ordinary shares	130,000,000	130,000,000	130,000,000	130,000,000
(Loss)/Earning per share - Basic & Diluted	(2.05)	(0.12)	(1.52)	0.17

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. 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, 2016 entered to following transactions with its related parties:

	December 31, 2016 (Rupees)	December 31, 2015 (Rupees)
Purchase of raw material and goods (Chakwal Textile Mills Ltd.)	50,440,123	2,728,649

13. AUTHORISATION FOR ISSUE

These condensed interim Financial statement have been authorised for issue on February 27, 2017 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest rupee.

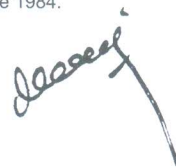
The annexed notes form an integral part of these condensed interim financial information.

These accounts are signed by two directors, as the Chief Executive of the Company is outside Pakistan. This is to comply with the requirement of section 241 of the Company Ordinance 1984.



Lahore:
February 27, 2017

(Khawaja Muhammad Jahangir)
Director



(Khawaja Muhammad Kaleem)
Director