



**In The Name Of Allah
The Merciful
The Compassionate**

CONTENTS	Page No.
COMPANY INFORMATION	2
DIRECTORS' REVIEW REPORT TO THE MEMBERS	3
CONDENSED INTERIM BALANCE SHEET	4
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT	5
CONDENSED INTERIM CASH FLOW STATEMENT	6
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	7
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION	8

COMPANY INFORMATION

BOARD OF DIRECTORS	Anwar Saifullah Khan Salim Saifullah Khan Osman Saifullah Khan Jehangir Saifullah Khan Hoor Yousafzai Assad Saifullah Khan Asif Saifullah Khan	- Chairman - Chief Executive
AUDIT COMMITTEE	Hoor Yousafzai Jehangir Saifullah Khan Assad Saifullah Khan	- Chairpreson - Member - Member
HR & REMUNERATION COMMITTEE	Anwar Saifullah Khan Salim Saifullah Khan Hoor Yousafzai	- Chairman - Member - Member
CHIEF FINANCIAL OFFICER	Noman Ahmad	
COMPANY SECRETARY	Sabir Khan	
AUDITORS	Hameed Chaudhri & Co., Chartered Accountants	
LEGAL ADVISORS	Dr. Pervez Hassan Hassan & Hassan, Advocates Salahuddin Saif & Aslam (Attorney's at Law)	
BANKERS	Albaraka Bank (Pakistan) Limited National Bank of Pakistan The Bank of Punjab United Bank Limited	
HEAD OFFICE	Kulsum Plaza, 4th Floor, 2020 – Blue Area, Islamabad Phone : (051) 2823924, 2829415 Fax : (051) 2822564, 2278537 Email : ktm@saifgroup.com	
REGISTERED OFFICE	APTMA House, Tehkal Payan, Jamrud Road, Peshawar Phone : (091) 5843870, 5702941 Fax : (091) 5840273 Email : Peshawar@saifgroup.com	
SHARES REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd., HM House, 7-Bank Square, Lahore Phone : +92-42-37235081-37235082 Fax : +92-42-37358817 E-mail : info@hmaconsultants.com	
MILLS	Saifabad, Kohat Phone : (0922) 862065, 862091 Fax : (0922) 862057-58 Email : ktmkht@saifgroup.com	
WEB SITE	www.kohattextile.com	

DIRECTORS' REVIEW REPORT

The un-audited financial statements along with our observations on the performance of the company for the First Quarter ended September 30, 2013 are hereby presented to you.

FINANCIAL HIGHLIGHTS

The major highlights of your Company as compared to the corresponding period of the preceding Financial Period are as follows:

	Quarter Ended 30 September, 2013	Quarter Ended 30 September, 2012
	(Rupees in thousand)	
Sales	613,357	623,270
Gross Profit	99,841	89,910
Operating Profit	79,516	71,113
Finance Cost	19,350	17,370
Profit Before Tax	60,166	53,743
Profit After Tax	33,986	33,043
Earning per share	1.63	1.59

Ignoring the impact of raw materials sales of Rs 49 million, yarn sales have improved by 6.83% as compared to last period due to increase in demand.

Gross profit margin has increased from 14.43% to 16.28% despite of increase in minimum wage of workers and increase in other operational overheads due inflation.

FUTURE PROSPECTS

We expect that market conditions will remain stable in remaining period. However, the performance in second and third quarters will depend upon the supply of gas to industry in Punjab. Industry is facing challenges in shape of inflation, unpredictable hike in power tariff, political unrest and unprecedented variation in raw material prices. Such factors may affect the profitability of the company in remaining period of this financial year.

Your company's management is cognizant of the challenges that lie ahead and will be making all out efforts to ensure growth and better financial results.

ACKNOWLEDGEMENT

The Board is pleased about the loyalty and efforts of the management, staff and workers.

for and on behalf of the Board

Dated: 28 October, 2013

Salim Saifullah Khan
Chief Executive

**CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER, 2013**

	Note	Un-audited 30 Sep., 2013 (Rupees in thousand)	Audited 30 June, 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised Capital		220,000	220,000
Issued, subscribed and paid-up		208,000	208,000
ACCUMULATED PROFIT			
		146,396	109,726
		354,396	317,726
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		315,858	318,542
NON-CURRENT LIABILITIES			
Loan from an associated company	6	130,178	130,178
Long term financing	7	37,500	50,000
Long term deposits		816	1,128
Deferred liability - Staff retirement benefits		42,566	39,272
Deferred taxation - net		44,177	24,131
		255,237	244,709
CURRENT LIABILITIES			
Trade and other payables		144,299	210,695
Accrued interest / mark-up		14,534	14,585
Short term borrowings		256,923	404,394
Current portion of long term financing	7	62,500	62,500
		478,256	692,174
CONTINGENCIES AND COMMITMENTS			
	8	1,403,747	1,573,151
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	849,375	852,211
Intangible assets		430	459
Long term loans		1,176	1,032
Long term deposits		1,137	1,137
		852,118	854,839
CURRENT ASSETS			
Stores, spares and loose tools		23,795	23,138
Stock-in-trade		308,795	455,961
Trade debts		142,236	153,025
Loans and advances		4,073	3,857
Deposits and short term prepayments		3,594	4,363
Other receivables		791	154
Taxation - net		48,575	53,063
Sales tax refundable		16,391	18,922
Cash and bank balances		3,379	5,829
		551,629	718,312
		1,403,747	1,573,151

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

SALIM SAIFULLAH KHAN
Chief Executive

HOOR YOUSAFZAI
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER, 2013 (UN-AUDITED)**

	Jul - Sep., 2013	Jul - Sep., 2012
	(Rupees in thousand)	
SALES	613,357	623,270
COST OF SALES	513,516	533,360
GROSS PROFIT	99,841	89,910
DISTRIBUTION COST	2,321	2,057
ADMINISTRATIVE EXPENSES	14,243	12,056
OTHER OPERATING EXPENSE	4,650	4,684
OTHER OPERATING INCOME	(889)	0
	20,325	18,797
OPERATING PROFIT	79,516	71,113
FINANCE COST	19,350	17,370
PROFIT BEFORE TAXATION	60,166	53,743
TAXATION		
Current	6,134	3,119
Deferred	20,046	17,581
	26,180	20,700
PROFIT AFTER TAXATION	33,986	33,043
OTHER COMPREHENSIVE INCOME	0	0
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	33,986	33,043
	(Rupees)	
EARNING PER SHARE	1.63	1.59

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

SALIM SAIFULLAH KHAN
Chief Executive

HOOR YOUSAFZAI
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER, 2013 (UN-AUDITED)**

	30 Sep., 2013	30 Sep., 2012
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	60,166	53,743
Adjustments for non cash and other charges:		
Depreciation	12,952	11,878
Amortisation	29	29
Staff retirement benefits gratuity - (net)	3,294	2,519
Gain / (Loss) on sale of operating fixed assets	(24)	484
Finance cost	19,350	17,370
CASH INFLOW FROM OPERATING ACTIVITIES	95,767	86,023
-Before working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(657)	(969)
Stock-in-trade	147,166	50,174
Trade debts	10,789	(27,897)
Loans and advances	(216)	(2,262)
Deposits and short term prepayments	769	(2,002)
Other receivables	(637)	3,127
Sales tax refundable	2,531	764
Decrease in trade and other payables	(66,396)	(46,052)
	93,349	(25,117)
CASH INFLOW FROM OPERATING ACTIVITIES	189,116	60,906
-After working capital changes		
Income Tax paid	(1,647)	(5,961)
CASH INFLOW FROM OPERATING ACTIVITIES - After taxation	187,469	54,945
Long term loans - net	(144)	(25)
NET CASH INFLOW FROM OPERATING ACTIVITIES	187,325	54,920
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(10,566)	(12,916)
Sale proceeds of vehicles	476	630
NET CASH USED IN INVESTING ACTIVITIES	(10,090)	(12,286)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing -net	(12,500)	(18,750)
Long term deposits	(312)	85
Short term borrowings - net	(147,471)	(10,050)
Finance cost paid	(19,401)	(14,137)
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	(179,684)	(42,852)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,449)	(218)
CASH AND CASH EQUIVALENTS - At the beginning of the period	5,829	731
CASH AND CASH EQUIVALENTS - At the end of the period	3,380	513

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

SALIM SAIFULLAH KHAN
Chief Executive

HOOR YOUSAFZAI
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER, 2013 (UN-AUDITED)**

	Share Capital	Un-Appropriated Profit	Total equity
	------(Rupees In thousand)-----		
Balance as at 30 June, 2012	208,000	(1,103)	206,897
Total comprehensive income for the quarter ended 30 September, 2012	0	33,043	33,043
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):			
- on account of incremental depreciation for the quarter	0	3,553	3,553
Balance as at 30 September, 2012	208,000	35,493	243,493
Total comprehensive income for the period of nine month from 01 October, 2012 to 30 June 2013	0	85,707	85,707
Cash dividend for the year ended June 30, 2012 at the rate of Rs.1 per share	0	(20,800)	(20,800)
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):			
- on account of incremental depreciation for the year	0	8,133	8,133
- upon sale of revalued assets	1,193	1,193	1,193
Balance as at 30 June, 2013	208,000	109,726	317,726
Total comprehensive income for the quarter ended 30 September, 2013	0	33,986	33,986
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):			
- on account of incremental depreciation for the quarter	0	2,684	2,684
Balance as at 30 September, 2013	208,000	146,396	354,396

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

SALIM SAIFULLAH KHAN
Chief Executive

HOOR YOUSAFZAI
Director

**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER, 2013 (UN-AUDITED)**

1. Kohat Textile Mills Limited (the Company) is a public limited Company incorporated in Pakistan during the year 1967 and its shares are quoted on Karachi and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of yarn. The Company's Mills are located in Saifabad, Kohat and the Registered Office of the Company is located at APTMA House, Tehkal Payan, Jamrud Road, Peshawar.
2. This condensed interim financial information is un-audited; it has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting).
3. This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the preceding published annual financial statements of the Company for the year ended 30 June, 2013.
4. The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual published financial statements of the Company for the year ended 30 June, 2013.
5. The significant judgement, estimates and assumptions used by the management in preparation of this condensed interim financial information are the same as those applied to the preceding published annual financial statements of the Company for the year ended 30 June, 2013.

6. LOAN FROM AN ASSOCIATED COMPANY - Unsecured

	(Un-audited) 30 Sep., 2013	(Audited) 30 June, 2013
(Rupees in thousand)		
Sub-ordinated loan	100,000	100,000
Other loan	30,178	30,178
	<u>130,178</u>	<u>130,178</u>

7. LONG TERM FINANCING - Secured

The Bank of Punjab (BoP)		
Term finance - I	87,500	100,000
Term finance - II	12,500	12,500
	<u>100,000</u>	<u>112,500</u>
Less : current portion grouped under current liabilities	62,500	62,500
	<u>37,500</u>	<u>50,000</u>

8. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in the preceding published annual financial statements of the Company for the year ended 30 June, 2013.

9. PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) 30 Sep., 2013	(Audited) 30 June, 2013
Note	(Rupees in thousand)	
Operating fixed assets	809,570	814,017
Capital work-in-progress	15,323	5,644
Store held for capital expenditure	24,481	32,550
	849,375	852,211
9.1 Operating fixed assets - tangible		
Opening book value	814,017	793,359
Additions during the period / year:		
Owned:		
- Building	2,498	0
- plant and machinery	3,102	58,282
- Electric installation	0	314
- equipment & appliances	159	2,099
- furniture & fixtures	101	323
- vehicles	3,097	15,583
Disposal:	8,957	76,601
- Cost / revaluation surplus	(1,452)	(13,053)
- Depreciation	1,000	7,833
Depreciation charge for the period / year	(12,952)	(50,723)
Closing book value	809,570	814,017

10. TRANSACTIONS WITH RELATED PARTIES

10.1 Aggregate significant transactions made during the period with the Associated Companies were as follows:

	(Un-audited) July - Sep., 2013	(Un-audited) July - Sep., 2012
	(Rupees in thousand)	
Sale of goods and services	0	49,152
Purchase of goods and services	0	0
Mark-up accrued on loans	3,997	4,705

No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 28 October, 2013.

12. CORRESPONDING FIGURES

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison; no significant rearrangements reclassifications have been made in condensed interim financial information.

SALIM SAIFULLAH KHAN
Chief Executive

HOOR YOUSAFZAI
Director