



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

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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	
HEAD OF INTERNAL AUDIT	Salman Shafiq	
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 Askari Bank Limited Dubai Islamic Bank Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Punjab United Bank Limited	
HEAD OFFICE	Kulsum Plaza, 4th Floor, 2020 – Blue Area, Islamabad Phone Fax Email	: (051) 2823924, 2829415 : (051) 2822564, 2278537 : ktm@saifgroup.com
REGISTERED OFFICE	APTMA House, Tehkal Payan, Jamrud Road, Peshawar Phone Fax Email	: (091) 5843870, 5702941 : (091) 5840273 : Peshawar@saifgroup.com
SHARES REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd., HM House, 7-Bank Square, Lahore Phone Fax E-mail	: +92-42-37235081-37235082 : +92-42-37358817 : info@hmaconsultants.com
MILLS	Saifabad, Kohat Phone Fax Email	: (0922) 862065, 862091 : (0922) 862057-58 : ktmkht@saifgroup.com
WEB SITE	www.kohattextile.com	

DIRECTORS' REVIEW REPORT

The un-audited financial statements of the Company for the third quarter and nine months ended March 31, 2015 are being presented to you with the following observations.

Your company has earned Gross Profit of Rs. 144 million (7.86 %) as compared to Rs. 215 million (12.71 %) in the same period of last year. Profit margins have declined due to depressed demand of yarn because of reduction in rates of synthetic yarn.

Your company has posted Profit Before Tax Rs. 17.07 million as compared to a Profit Before Tax of Rs. 96.01 million for the corresponding period of last year. The decline in profitability is due to low demand of synthetic yarn during the period coupled with mounting energy and operational costs mainly due to increase in fuel & electricity rates.

The yarn markets are stagnant and it is anticipated that market will remain at the same levels and stock will be sold out at better rates hence improving the profit margin. We expect that next quarter will be better due to increasing in demand of synthetic yarn.

The Management of your Company is committed to face challenges ahead. We are working on reduction in operational cost and invested during the period in energy efficient and automated machinery in back process to reduce the labor and electricity cost, which will help to increase profitability.

We would like to conclude with heartfelt appreciation for the support of our bankers and our valued customers. We would also like to highlight the hard work put in by the management and staff. We look forward to the same dedication and cooperation in the days ahead.

Place: Islamabad
Dated: 28 April, 2015

Assad Saifullah Khan
Chief Executive

**CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH, 2015**

	Note	Un-audited 31 Mar., 2015	Audited 30 June, 2014
(Rupees in thousand)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,075,287	1,060,402
Intangible assets		254	342
Long term loans		1,849	1,466
Long term deposits		1,137	1,137
		1,078,527	1,063,347
Current Assets			
Stores, spares and loose tools		26,812	26,087
Stock-in-trade		234,709	432,863
Trade debts		224,164	157,724
Loans and advances		14,406	5,425
Deposits and short term prepayments		1,297	2,365
Other receivables		1,327	1,924
Taxation - net		80,676	76,674
Sales tax refundable		36,998	36,171
Cash and bank balances		1,267	4,528
		621,656	743,761
		1,700,183	1,807,108
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 22,000,000 ordinary shares of Rs.10 each		220,000	220,000
Issued, subscribed and paid up capital 20,800,000 ordinary shares of Rs.10 each		208,000	208,000
Unappropriated profit		143,146	156,501
		351,146	364,501
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		302,337	309,899
NON-CURRENT LIABILITIES			
Loans from an Associated Company		100,000	100,000
Long term financing	6	274,161	202,088
Long term deposits		1,160	965
Deferred liability - staff retirement benefits		70,942	62,137
Deferred taxation - net		61,959	63,028
		508,222	428,218
CURRENT LIABILITIES			
Trade and other payables		113,157	234,946
Accrued interest / mark-up		21,864	27,837
Short term borrowings		319,899	354,561
Current portion of long term financing		83,558	87,146
		538,478	704,490
CONTINGENCIES AND COMMITMENTS	7	1,700,183	1,807,108

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

Assad Saifullah Khan
Chief Executive

Osman Saifullah Khan
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2015 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	Jan. - Mar. 2015	Jan. - Mar. 2014	Jul. - Mar. 2015	Jul. - Mar. 2014
	(Rupees in thousand)			
Note				
SALES	703,067	491,101	1,824,656	1,692,642
COST OF SALES	(690,089)	(439,093)	(1,680,929)	(1,477,363)
GROSS PROFIT	12,978	52,008	143,727	215,279
DISTRIBUTION COST	(3,713)	(3,201)	(10,743)	(7,899)
ADMINISTRATIVE EXPENSES	(14,698)	(14,466)	(48,070)	(44,504)
OTHER OPERATING EXPENSES	1,100	(4,650)	(6,250)	(14,950)
OTHER OPERATING INCOME	238	22	238	911
(LOSS) / PROFIT FROM OPERATIONS	(4,095)	29,713	78,902	148,837
FINANCE COST	(21,149)	(17,724)	(61,825)	(52,835)
(LOSS) / PROFIT BEFORE TAXATION	(25,244)	11,989	17,077	96,002
TAXATION 8	(7,841)	3,591	11,995	33,765
(LOSS) / PROFIT AFTER TAXATION	(17,403)	8,398	5,082	62,237
OTHER COMPREHENSIVE INCOME	0	0	0	0
TOTAL COMPREHENSIVE (LOSS) / INCOME	(17,403)	8,398	5,082	62,237
	----- Rupees -----			
(LOSS) / EARNINGS PER SHARE				
- basic and diluted	(0.84)	0.40	0.24	2.99

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

Assad Saifullah Khan
Chief Executive

Osman Saifullah Khan
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2015 (UN-AUDITED)**

	Nine Months ended	
	31, March 2015	31, March 2014
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	17,077	96,002
Adjustments for non-cash charges and other items:		
Depreciation	51,290	40,582
Amortisation	88	88
Staff retirement benefits - gratuity (net)	8,805	7,044
Gain / (loss) on disposal of operating fixed assets	(238)	(46)
Finance cost	61,825	52,835
Profit before working capital changes	138,847	196,505
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(725)	(2,205)
Stock-in-trade	198,154	9,373
Trade debts	(66,440)	17,943
Loans and advances	(8,981)	(1,115)
Deposits and short term prepayments	1,068	(689)
Other receivables	597	115
Sales tax refundable	(827)	(19,253)
Increase / (Decrease) in trade and other payables	(121,789)	18,049
	1,057	22,218
Cash generated from operations	139,904	218,723
Income tax paid	(17,065)	(17,425)
Long term loans - net	(383)	(284)
Net cash generated from operating activities	122,456	201,014
Cash flow from investing activities		
Additions to property, plant and equipment	(66,328)	(255,445)
Sale proceeds of operating fixed assets	391	694
Net cash used in investing activities	(65,937)	(254,751)
Cash flow from financing activities		
Long term financing - obtained	68,485	189,234
Long term deposits	195	(286)
Short term borrowings - net	(34,662)	(67,663)
Dividend paid	(26,000)	(25,721)
Finance cost paid	(67,798)	(47,069)
Net cash generated from financing activities	(59,780)	48,495
Net (decrease) / increase in cash and cash equivalents	(3,261)	(5,242)
Cash and cash equivalents - at beginning of the period	4,528	5,829
Cash and cash equivalents - at end of the period	1,267	587

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

Assad Saifullah Khan
Chief Executive

Osman Saifullah Khan
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2015 (UN-AUDITED)**

	Share Capital	Unappropriated Profit	Total equity
	------(Rupees In thousand)-----		
Balance as at July 01, 2013	208,000	105,407	313,407
Total comprehensive income for the nine month ended 31 March, 2014	0	62,237	62,237
Cash divided for the year ended June 30, 2013 at the rate of Re.1 per share	0	(26,000)	(26,000)
Surplus on revaluation of property, plant and equipment realised during the period - net of deferred taxation: - on account of incremental depreciation for the period	0	8,175	8,175
Balance as at 31 March, 2014	208,000	149,819	357,819
Total comprehensive income for the quarter ended 30 June, 2014	0	3,728	3,728
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	2,500	2,500
- upon sale of revalued assets	0	454	454
Balance as at 30 June, 2014	208,000	156,501	364,501
Cash dividend for the year ended June 30, 2014 at the rate of Rs.1.25 per share	0	(26,000)	(26,000)
Total comprehensive income for the nine month ended 31 March, 2015	0	5,082	5,082
Surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months realised during the period - net of deferred taxation	0	7,563	7,563
Balance as at 31 March, 2015	208,000	143,146	351,146

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

Assad Saifullah Khan
Chief Executive

Osman Saifullah Khan
Director

**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2015 (UN-AUDITED)**

1. LEGAL STATUS AND NATURE OF BUSINESS

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. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements for the year ended June 30, 2014.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2014 except for the adoption of a new accounting policy as referred to in note 4.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements for the year ended June 30, 2014.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 31 March, 2015 (Rupees in thousand)	(Audited) 30 June, 2014
Operating fixed assets-tangible	5.1	1,017,682	1,048,788
Capital work-in-progress	5.3	9,404	458
Stores held for capital expenditure		48,201	11,156
		<u>1,075,287</u>	<u>1,060,402</u>
5.1 Operating fixed assets-tangible			
Book value at beginning of the period / year		1,048,788	814,017
Additions during the period / year	5.2	20,337	298,338
Book value of operating fixed assets disposed-off during the period / year		(153)	(5,476)
Depreciation charge for the period / year		(51,290)	(58,091)
Book value at end of the period / year		<u>1,017,682</u>	<u>1,048,788</u>

5.2 Additions during the period / year:

	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
	(Rupees in thousand)	
- buildings on freehold land		
- factory	0	18,191
- residential	479	6,438
- plant & machinery	17,091	157,087
- gas fired power plant	0	103,364
- electric installations	822	7,582
- equipment & appliances	681	1,368
- furniture & fixtures	185	346
- vehicles	1,079	3,962
	<u>20,337</u>	<u>298,338</u>

5.3 Capital work-in-progress

Buildings on freehold land		
- factory	5,572	0
- non-factory	1,116	458
Advance payments against purchase of computer software	2,716	0
	<u>9,404</u>	<u>458</u>

6. LONG TERM FINANCING

Balance at the beginning of the period / year		289,234	112,500
Add: disbursement made during the period / year	6.1	112,500	239,234
Less: repayments made during the period / year		44,015	62,500
		<u>357,719</u>	<u>289,234</u>
Less: current portion grouped under current liabilities		83,558	87,146
		<u>274,161</u>	<u>202,088</u>

6.1 Askari Bank Ltd, during the current period, against a Diminishing Musharakah facility of Rs.120 million has disbursed Rs.112.5 million till March 31, 2015. This finance facility is repayable in 48 equal monthly instalments of Rs.2.344 million each commencing April, 2016 and is secured against first pari passu charge on fixed assets of the Company.

6.2 Except for the above mentioned changes all other term and conditions of the long term financing are the same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2014.

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in the preceding published Half Yearly financial statements of the Company for the period ended 31 December, 2014.

8. TAXATION-Net

	Un-audited			
	Quarter ended		Nine Month ended	
	Mar. 31 2015	Mar. 31 2014	Mar. 31 2015	Mar. 31 2014
	----- (Rupees in thousand) -----			
Current	7,031	(10,611)	13,063	(667)
Deferred	(14,872)	14,202	(1,068)	34,432
	<u>(7,841)</u>	<u>3,591</u>	<u>11,995</u>	<u>33,765</u>

9. TRANSACTIONS WITH RELATED PARTIES

9.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	(Un-audited) Jul-March,	
		2015	2014
(Rupees in thousand)			
Associated Companies	- Sale of goods and services	7,660	5,583
	- Purchase of goods and services	68,147	20,808
	- Purchase of fixed assets	0	736
	- Mark-up accrued on loan	7,905	7,937
	- Dividend paid	20,275	20,275

9.2 Period / year end balances are as follows:

	(Rupees in thousand)	
Loans from an Associated Company	100,000	100,000
Other payable	62	556

10. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2014, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

This condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2014.

11. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

12. GENERAL

12.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 28, 2015.

12.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

Assad Saifullah Khan
Chief Executive

Osman Saifullah Khan
Director