



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

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COMPANY INFORMATION**BOARD OF DIRECTORS**

Anwar Saifullah Khan - Chairman
 Salim Saifullah Khan
 Osman Saifullah Khan
 Jehangir Saifullah Khan
 Ms. Hoor Yousafzai
 Assad Saifullah Khan - Chief Executive
 Asif Saifullah Khan

AUDIT COMMITTEE

Salim Saifullah Khan - Chairman
 Ms. Hoor Yousafzai - Member
 Jehangir Saifullah Khan - Member

HR & REMUNERATION COMMITTEE

Anwar Saifullah Khan - Chairman
 Salim Saifullah Khan - Member
 Ms. Hoor Yousafzai - Member

CHIEF FINANCIAL OFFICER

Nouman 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

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 2020 – Blue Area, Islamabad
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 Email : ktm@saifgroup.com

REGISTERED OFFICE

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 Email : Peshawar@saifgroup.com

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.,
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 E-mail : info@hmaconsultants.com

MILLS

Saifabad, Kohat
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WEB SITE

www.kohattextile.com

DIRECTORS' REVIEW REPORT

The un-audited financial statements of the Company for the First Quarter ended on September 30, 2015 are being presented to you with the following observations.

FINANCIAL HIGHLIGHTS

During the first quarter, your Company has managed to earn a gross profit of Rs 37.79 million on sales of Rs 0.464 billion (gross profit margin: 8.14%) compared to gross profit of Rs 89 million on sales of Rs 0.704 billion (gross profit margin: 12.6%) in the corresponding period last year. The decrease in gross profitability is due to dampened demand for yarn in the local market.

Your Company closed the period with Loss before tax of Rs 0.84 million against a profit of Rs 60 million in the same period last year. Reasons for decline in profits include volatile market conditions, high energy and operating costs and worsening Rupee-Dollar parity.

GENERAL MARKET CONDITIONS AND FUTURE OUTLOOK

The market conditions are stagnant and the demand of yarn is slow, it is expected to increase if the Government imposes the regulatory duty on import of textile products. The other major factors hampering sector profitability include increase in fuel and power costs, uncertain domestic and regional political situation and instable exchange rate.

Your Company's management is very hopeful that in the coming days we will be able to show better performance by using our resources efficiently and putting the best efforts to deal with operationally challenging environment.

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

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of our bankers and our valued customers. We would also like to highlight the hard work put in by the members of our corporate family.

We look forward to the same dedication and cooperation in the days ahead.

for and on behalf of the Board

Place: Islamabad
Dated: 30 October, 2015

Assad Saifullah Khan
Chief Executive

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER, 2015

	Note	Un-audited 30 Sep., 2015	Audited 30 June, 2015
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised Capital		220,000	220,000
22,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up Capital		208,000	208,000
20,800,000 ordinary shares of Rs.10 each			
UNAPPROPRIATED PROFIT		150,564	154,676
		358,564	362,676
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		299,753	302,147
NON-CURRENT LIABILITIES			
Loan from an associated company		100,000	100,000
Long term financing	5	231,131	245,146
Long term deposits		1,395	1,280
Deferred liability - Staff retirement benefits		82,761	80,290
Deferred taxation - net		67,400	66,371
		482,687	493,087
CURRENT LIABILITIES			
Trade and other payables		209,867	150,662
Accrued interest / mark-up		13,778	13,185
Short term borrowings		490,760	260,235
Current portion of long term financing	5	86,059	78,558
		800,464	502,640
CONTINGENCIES AND COMMITMENTS	6		
		1,941,468	1,660,550
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	1,126,748	1,121,135
Intangible assets		195	225
Long term loans		2,082	1,893
Long term deposits		1,137	1,137
		1,130,162	1,124,390
CURRENT ASSETS			
Stores, spares and loose tools		32,708	31,850
Stock-in-trade	8	494,154	188,954
Trade debts		146,075	141,019
Loans and advances		5,767	46,186
Deposits and short term prepayments		3,613	2,244
Other receivables		1,408	1,258
Taxation - net		84,502	81,923
Sales tax refundable		39,808	32,868
Cash and bank balances		3,271	9,858
		811,306	536,160
		1,941,468	1,660,550

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 ENDED 30 SEPTEMBER, 2015 (UN-AUDITED)**

	Jul - Sep., 2015	Jul - Sep., 2014
	(Rupees in thousand)	
SALES - NET	463,861	704,118
COST OF SALES	426,068	615,117
GROSS PROFIT	37,793	89,001
DISTRIBUTION COST	2,911	3,275
ADMINISTRATIVE EXPENSES	17,196	16,449
OTHER OPERATING EXPENSE	2,200	5,990
	22,307	25,714
OPERATING PROFIT	15,486	63,287
FINANCE COST	16,326	20,347
(LOSS) / PROFIT BEFORE TAXATION	(840)	42,940
TAXATION		
Current	4,638	7,041
Deferred	1,029	14,588
	5,667	21,629
(LOSS) / PROFIT AFTER TAXATION	(6,507)	21,311
OTHER COMPREHENSIVE INCOME	0	0
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD	(6,507)	21,311
	(Rupees)	
(LOSS) / EARNING PER SHARE	(0.31)	1.02

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 QUARTER ENDED 30 SEPTEMBER, 2015 (UN-AUDITED)

	Jul - Sep., 2015	July - Sep., 2014
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period - before taxation	(840)	42,940
Adjustments for non cash and other charges:		
Depreciation	17,940	16,885
Amortisation	29	29
Staff retirement benefits gratuity - (net)	2,471	3,367
Finance cost	16,326	20,347
CASH INFLOW FROM OPERATING ACTIVITIES	35,926	83,568
-Before working capital changes	35,926	83,568
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(858)	(926)
Stock-in-trade	(305,200)	26,721
Trade debts	(5,056)	53,215
Loans and advances	40,419	601
Deposits and short term prepayments	(1,369)	(3,490)
Other receivables	(150)	(9)
Sales tax refundable	(6,940)	(4,769)
Increase in trade and other payables	59,205	32,864
	(219,949)	104,207
CASH OUTFLOW FROM OPERATING ACTIVITIES		
-After working capital changes	(184,023)	187,775
Income Tax paid	(7,217)	(9,626)
CASH OUTFLOW FROM OPERATING ACTIVITIES - After taxation	(191,240)	178,149
Long term loans - net	(189)	63
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(191,429)	178,212
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(23,551)	(5,641)
Sale proceeds of vehicles	0	0
NET CASH USED IN INVESTING ACTIVITIES	(23,551)	(5,641)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing -net	(6,514)	(12,500)
Long term deposits	115	121
Short term borrowings - net	230,525	(135,855)
Finance cost paid	(15,733)	(28,077)
NET CASH INFLOW FROM FINANCING ACTIVITIES	208,393	(176,311)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(6,587)	(3,740)
CASH AND CASH EQUIVALENTS - At the beginning of the period	9,858	4,528
CASH AND CASH EQUIVALENTS - At the end of the period	3,271	787

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 QUARTER ENDED 30 SEPTEMBER, 2015 (UN-AUDITED)

	Share Capital	Un-appropriated Profit / (Loss)	Total equity
------(Rupees In thousand)-----			
Balance as at 30 June, 2014	208,000	156,501	364,501
Profit after taxation for the period ended 30 September, 2014	0	21,311	21,311
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	2,483	2,483
Balance as at 30 September, 2014	208,000	180,295	388,295
Loss after taxation for the period	0	(7,223)	(7,223)
Cash dividend for the year ended June 30, 2014 at the rate of Rs.1.25 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 year	0	7,604	7,604
Balance as at 30 June, 2015	208,000	154,676	362,676
Loss after taxation for the period from 01 July, 2015 to 30 September, 2015	0	(6,507)	(6,507)
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):	0	2,395	2,395
Balance as at 30 September, 2015	208,000	150,564	358,564

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 QUARTER ENDED 30 SEPTEMBER, 2015 (UN-AUDITED)**

I. 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. The figures for the quarter ended September 30, 2015 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. 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, 2015.

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, 2015.

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, 2015.

(Un-audited) 30 Sep., 2015	(Audited) 30 June, 2015
(Rupees in thousand)	

5. LONG TERM FINANCING - Secured

The Bank of Punjab (BoP)

Term finance - III

United Bank Limited (UBL)

Demand finance

ASKARI BANK LIMITED (ABL)

Diminishing Musharakah

Less : current portion grouped under current liabilities

112,500	112,500
84,690	91,204
120,000	120,000
317,190	323,704
86,059	78,558
231,131	245,146

6. 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, 2015.

7. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) 30 Sep., 2015	(Audited) 30 June, 2015
	Note	(Rupees in thousand)	
Operating fixed assets	7.1	1,056,711	1,056,830
Capital work-in-progress	7.2	39,384	28,888
Store held for capital expenditure		30,652	35,417
		1,126,748	1,121,135
7.1 Operating fixed assets - tangible			
Opening book value		1,056,830	1,048,788
Additions during the period / year:			
Owned:			
- Factory Building		0	1,972
- Non Factory Building		0	1,876
- plant and machinery		17,262	70,381
- Electric installation		134	824
- equipment & appliances		277	1,240
- furniture & fixtures		148	142
- vehicles		0	1,079
Disposal:		17,821	77,514
- Cost / revaluation surplus		0	(476)
Depreciation charge for the period / year		(17,940)	(68,996)
Closing book value		1,056,711	1,056,830

7.2 Capital work-in progress

Building on freehold land			
- Factory		30,271	20,384
- Non-Factory		1,930	674
Advance payments against purchase of computer software		3,867	3,189
Plant & Machinery		3,316	4,641
		39,384	28,888

8. STOCK-IN-TRADE

Raw materials			
- at mills		230,183	62,270
- in-transit		68,933	70,790
		299,116	133,060
Work-in-process		30,799	21,869
Finished goods		164,239	34,025
		494,154	188,954

9. TRANSACTIONS WITH RELATED PARTIES

- 9.1** Aggregate significant transactions made during the period with the Associated Companies were as follows:

		(Un-audited) July - Sep., 2015	(Un-audited) July - Sep., 2014
Relationship	Nature of transactions	(Rupees in thousand)	
Associated Companies			
	Sale of goods and services	0	7,510
	Purchase of goods and services	6,388	0
	Mark-up accrued on loans	2,170	3,112

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.

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 30 October, 2015.

11. GENERALS

Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.