



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

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**COMPANY INFORMATION**

|  |   |  |
|--|---|--|
| <b>BOARD OF DIRECTORS</b>              | Anwar Saifullah Khan<br>Salim Saifullah Khan<br>Osman Saifullah Khan<br>Jehangir Saifullah Khan<br>Ms. Hoor Yousafzai<br>Assad Saifullah Khan<br>Asif Saifullah Khan                                  | - Chairman<br><br><br><br>- Chief Executive                                  |
| <b>AUDIT COMMITTEE</b>                 | Salim Saifullah Khan<br>Ms. Hoor Yousafzai<br>Jehangir Saifullah Khan   | - Chairman<br>- Member<br>- Member   |
| <b>HR &amp; REMUNERATION COMMITTEE</b> | Anwar Saifullah Khan<br>Salim Saifullah Khan<br>Ms. Hoor Yousafzai  | - Chairman<br>- Member<br>- Member   |
| <b>CHIEF FINANCIAL OFFICER</b>         | Nouman Ahmad  |  |
| <b>COMPANY SECRETARY</b>               | Sabir Khan  |  |
| <b>HEAD OF INTERNAL AUDIT</b>          | Salman Shafiq   |  |
| <b>AUDITORS</b>                        | Shinewing Hameed Chaudhri & Co.,<br>Chartered Accountants   |  |
| <b>LEGAL ADVISORS</b>                  | Salahuddin Saif & Aslam<br>(Attorney's at Law)  |  |
| <b>BANKERS</b>                         | Albaraka Bank (Pakistan) Limited<br>Askari Bank Limited<br>Dubai Islamic Bank<br>Meezan Bank Limited<br>National Bank of Pakistan<br>Soneri Bank Limited<br>The Bank of Punjab<br>United Bank Limited |  |
| <b>HEAD OFFICE</b>                     | Kulsum Plaza, 4th Floor,<br>2020 – Blue Area, Islamabad<br>Phone<br>Fax<br>Email  | : (051) 2201951-2201856<br>: (051) 2822564<br>: ktm@saifgroup.com            |
| <b>REGISTERED OFFICE</b>               | APTMA House, Tehkal Payan,<br>Jamrud Road, Peshawar<br>Phone<br>Fax<br>Email  | : (091) 5843870, 5702941<br>: (091) 5840273<br>: Peshawar@saifgroup.com      |
| <b>SHARES REGISTRAR</b>                | M/s Hameed Majeed Associates (Pvt.) Ltd.,<br>HM House, 7-Bank Square, Lahore<br>Phone<br>Fax<br>E-mail  | : +92-42-37235081-37235082<br>: +92-42-37358817<br>: info@hmaconsultants.com |
| <b>MILLS</b>                           | Saifabad, Kohat<br>Phone<br>Fax<br>Email  | : (0922) 862065, 862091<br>: (0922) 862057-58<br>: ktmkht@saifgroup.com      |
| <b>WEB SITE</b>                        | www.kohattextile.com  |  |

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

On behalf of the Board, it gives me pleasure to present the Company's un-audited financial statements for the half year ended December 31, 2015. Our commentary on the salient features of the Company's performance follows below.

Your Company performed steadily in a difficult environment. Gross Profit was Rs. 33.829 Million (Gross Profit Margin: 3.29 %) compared to Rs. 130.749 Million (Gross Margin: 11.70 %) for the corresponding period of 2014. The profitability of the Company was particularly impacted in the last quarter where we witnessed a slowdown in yarn demand.

During the period, loss before tax was Rs. 43.343 million against a Profit of Rs. 42.321 million of the corresponding period. The period under review saw significant increases in power & fuel costs due to the imposition of GIDC. Although internationally POL prices have drastically declined, our Government has not passed on the impact to the textile industry. The Company would have been able to earn profits if the government imposed the regulatory duty on import of synthetic yarn and fabric from India and China, which has slowed down the demand for local synthetic yarn.

We would like to conclude with the customary, but very much heartfelt, appreciation for the support of our valued customers and our banking partners. 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. Finally we pray for peace and prosperity in our province and our country.

Place: Islamabad  
Dated: 26 February, 2016

**ASSAD SAIFULLAH KHAN**  
Chief Executive

## **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Kohat Textile Mills Limited** (the Company) as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for 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 for the quarters ended December 31, 2015 and 2014 have not been reviewed, 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists 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 as of and for the half-year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Place: **Lahore**  
Dated: 26 February, 2016

**SHINEWING HAMEED CHAUDHRI & CO.,**  
**Chartered Accountants**  
Engagement Partner: Osman Hameed Chaudhri

### CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2015

|  | Note | Un-audited<br>31 Dec.,<br>2015 | Audited<br>30 June,<br>2015 |
|--|------|--------------------------------|-----------------------------|
| (Rupees in thousand)   |      |                                |                             |
| <b>ASSETS</b>  |      |                                |                             |
| <b>NON-CURRENT ASSETS</b>  |      |                                |                             |
| Property, plant and equipment                                      | 5    | 1,116,134                      | 1,121,135                   |
| Intangible assets  |      | 166                            | 225                         |
| Long term loans  |      | 2,507                          | 1,893                       |
| Long term deposits   |      | 1,137                          | 1,137                       |
|  |      | <u>1,119,944</u>               | <u>1,124,390</u>            |
| <b>CURRENT ASSETS</b>  |      |                                |                             |
| Stores, spare parts and loose tools                                |      | 31,654                         | 31,850                      |
| Stock-in-trade   | 6    | 320,009                        | 188,954                     |
| Trade debts  |      | 44,519                         | 141,019                     |
| Loans and advances   |      | 43,156                         | 46,186                      |
| Deposits and short term prepayments                                |      | 1,172                          | 2,244                       |
| Other receivables  |      | 141                            | 1,258                       |
| Taxation - net   |      | 85,885                         | 81,923                      |
| Sales tax refundable   |      | 39,310                         | 32,868                      |
| Cash and bank balances   |      | 10,325                         | 9,858                       |
|  |      | <u>576,171</u>                 | <u>536,160</u>              |
|  |      | <u>1,696,115</u>               | <u>1,660,550</u>            |
| <b>EQUITY AND LIABILITIES</b>                                      |      |                                |                             |
| <b>SHARE CAPITAL AND RESERVES</b>                                  |      |                                |                             |
| Authorized capital   |      |                                |                             |
| 22,000,000 ordinary shares of Rs.10 each                           |      | <u>220,000</u>                 | <u>220,000</u>              |
| Issued, subscribed and paid up capital                             |      |                                |                             |
| 20,800,000 ordinary shares of Rs.10 each                           |      | <u>208,000</u>                 | <u>208,000</u>              |
| Unappropriated profit  |      | <u>106,732</u>                 | <u>154,676</u>              |
|  |      | <u>314,732</u>                 | <u>362,676</u>              |
| <b>SURPLUS ON REVALUATION OF PROPERTY,<br/>PLANT AND EQUIPMENT</b> |      | <u>297,359</u>                 | <u>302,147</u>              |
| <b>NON-CURRENT LIABILITIES</b>                                     |      |                                |                             |
| Loan from an Associated Company                                    |      | <u>100,000</u>                 | <u>100,000</u>              |
| Long term financing  |      | <u>194,617</u>                 | <u>245,146</u>              |
| Long term deposits   |      | <u>1,521</u>                   | <u>1,280</u>                |
| Deferred liability - staff retirement benefits                     |      | <u>82,647</u>                  | <u>80,290</u>               |
| Deferred taxation - net  |      | <u>53,984</u>                  | <u>66,371</u>               |
|  |      | <u>432,769</u>                 | <u>493,087</u>              |
| <b>CURRENT LIABILITIES</b>   |      |                                |                             |
| Trade and other payables   |      | <u>174,551</u>                 | <u>150,662</u>              |
| Accrued interest / mark-up   |      | <u>15,896</u>                  | <u>13,185</u>               |
| Short term borrowings  |      | <u>344,750</u>                 | <u>260,235</u>              |
| Current portion of long term financing                             |      | <u>116,058</u>                 | <u>78,558</u>               |
|  |      | <u>651,255</u>                 | <u>502,640</u>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>                               | 7    | <u>1,696,115</u>               | <u>1,660,550</u>            |

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Chief Executive

Director

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

|  | Quarter ended        |                  | Half-year ended  |                  |
|--|----------------------|------------------|------------------|------------------|
|  | 31 Dec.,<br>2015     | 31 Dec.,<br>2014 | 31 Dec.,<br>2015 | 31 Dec.,<br>2014 |
| <b>Note</b>                                | (Rupees in thousand) |                  |                  |                  |
| SALES - NET                                | 565,321              | 417,471          | 1,029,182        | 1,121,589        |
| COST OF SALES                              | (569,285)            | (375,723)        | (995,353)        | (990,840)        |
| <b>GROSS (LOSS) / PROFIT</b>               | <b>(3,964)</b>       | 41,748           | <b>33,829</b>    | 130,749          |
| DISTRIBUTION COST                          | (5,859)              | (3,755)          | (8,770)          | (7,030)          |
| ADMINISTRATIVE EXPENSES                    | (15,172)             | (16,923)         | (32,368)         | (33,372)         |
| OTHER EXPENSES                             | (1,080)              | (1,360)          | (3,280)          | (7,350)          |
| <b>(LOSS) / PROFIT FROM OPERATIONS</b>     | <b>(26,075)</b>      | 19,710           | <b>(10,589)</b>  | 82,997           |
| FINANCE COST                               | (16,428)             | (20,329)         | (32,754)         | (40,676)         |
| <b>(LOSS) / PROFIT BEFORE TAXATION</b>     | <b>(42,503)</b>      | (619)            | <b>(43,343)</b>  | 42,321           |
| TAXATION 8                                 | 11,879               | 1,793            | 6,212            | (19,836)         |
| <b>(LOSS) / PROFIT AFTER TAXATION</b>      | <b>(30,624)</b>      | 1,174            | <b>(37,131)</b>  | 22,485           |
| OTHER COMPREHENSIVE INCOME                 | 0                    | 0                | 0                | 0                |
| <b>TOTAL COMPREHENSIVE (LOSS) / INCOME</b> | <b>(30,624)</b>      | 1,174            | <b>(37,131)</b>  | 22,485           |
| <hr/>                                      |                      |                  |                  |                  |
|  | (Rupees)             |                  |                  |                  |
| <b>(LOSS) / EARNINGS PER SHARE</b>         |                      |                  |                  |                  |
| - BASIC AND DILUTED                        | (1.47)               | 0.06             | (1.79)           | 1.08             |

THE ANNEXED NOTES 1 TO 12 FORM AN INTEGRAL PART OF THIS CONDENSED INTERIM FINANCIAL INFORMATION.

Chief Executive

Director

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

|   | <b>Half-year ended</b>   |                          |
|---|--------------------------|--------------------------|
|   | <b>31 Dec.,<br/>2015</b> | <b>31 Dec.,<br/>2014</b> |
|   | (Rupees in thousand)     |                          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                          |                          |
| (Loss) / profit for the period - before taxation              | <b>(43,343)</b>          | 42,321                   |
| Adjustments for non-cash charges and other items:             |                          |                          |
| Depreciation  | <b>36,122</b>            | 34,042                   |
| Amortisation  | <b>59</b>                | 59                       |
| Staff retirement benefits - gratuity (net)                    | <b>2,357</b>             | 8,274                    |
| Finance cost  | <b>(32,754)</b>          | (40,676)                 |
| <b>(LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES</b>         | <b>(37,559)</b>          | 44,020                   |
| <b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>    |                          |                          |
| (Increase) / decrease in current assets:                      |                          |                          |
| Stores, spare parts and loose tools                           | <b>196</b>               | 1,059                    |
| Stock-in-trade  | <b>(131,055)</b>         | 15,479                   |
| Trade debts   | <b>96,500</b>            | 3,922                    |
| Loans and advances  | <b>3,030</b>             | (28)                     |
| Deposits and short term prepayments                           | <b>1,072</b>             | 284                      |
| Other receivables   | <b>1,117</b>             | 1,678                    |
| Sales tax refundable  | <b>(6,442)</b>           | (6,462)                  |
| <b>INCREASE / (DECREASE) IN TRADE AND OTHER PAYABLES</b>      | <b>23,558</b>            | (99,207)                 |
|   | <b>(12,024)</b>          | (83,275)                 |
| <b>CASH USED IN OPERATIONS</b>                                | <b>(49,583)</b>          | (39,255)                 |
| Income taxes paid   | <b>(10,137)</b>          | (13,021)                 |
| Long term loans - net   | <b>(614)</b>             | (474)                    |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                  | <b>(60,334)</b>          | (52,750)                 |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                |                          |                          |
| Additions in property, plant and equipment                    | <b>(31,121)</b>          | (21,934)                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                          |                          |
| Long term financing - repaid                                  | <b>(13,029)</b>          | (25,000)                 |
| Long term deposits  | <b>241</b>               | 237                      |
| Short term borrowings - net                                   | <b>84,515</b>            | 90,883                   |
| Dividend paid   | <b>(15,269)</b>          | (25,669)                 |
| Finance cost paid   | <b>35,464</b>            | 31,943                   |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>           | <b>91,922</b>            | 72,394                   |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>467</b>               | (2,290)                  |
| <b>CASH AND CASH EQUIVALENTS - at beginning of the period</b> | <b>9,858</b>             | 4,528                    |
| <b>CASH AND CASH EQUIVALENTS - at end of the period</b>       | <b>10,325</b>            | 2,238                    |

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Chief Executive

Director

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

|   | Share<br>Capital | Unappropriated<br>Profit / (Loss) | Total          |
|---|------------------|-----------------------------------|----------------|
| ------(Rupees In thousand)-----   |                  |                                   |                |
| Balance as at July 01, 2014   | 208,000          | 156,501                           | 364,501        |
| <b>Transaction with owners</b>  |                  |                                   |                |
| Cash dividend for the year<br>ended June 30, 2014 at the<br>rate of Rs.1.25 per share   | 0                | (26,000)                          | (26,000)       |
| <b>Total comprehensive income for the<br/>half-year ended December 31, 2014</b>   | 0                | 22,485                            | 22,485         |
| Surplus on revaluation of property,<br>plant and equipment on account of incremental<br>depreciation for the half-year realised during<br>the period - net of deferred taxation | 0                | 5,041                             | 5,041          |
| <b>Balance as at December 31, 2014</b>  | <b>208,000</b>   | <b>158,027</b>                    | <b>366,027</b> |
| Balance as at July 01, 2015   | 208,000          | 154,676                           | 362,676        |
| <b>Transaction with owners</b>  |                  |                                   |                |
| Cash dividend for the year<br>ended June 30, 2015 at the<br>rate of Re.0.75 per share   | 0                | (15,600)                          | (15,600)       |
| <b>Total comprehensive loss for the half-year<br/>ended December 31, 2015</b>   | 0                | (37,131)                          | (37,131)       |
| Surplus on revaluation of property,<br>plant and equipment on account of incremental<br>depreciation for the half-year realised during<br>the period - net of deferred taxation | 0                | 4,787                             | 4,787          |
| <b>Balance as at December 31, 2015</b>  | <b>208,000</b>   | <b>106,732</b>                    | <b>314,732</b> |

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Chief Executive

Director



**NOTES TO AND FORMING PART OF THE  
CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF-YEAR ENDED 31 DECEMBER, 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 [Pakistan Stock Exchange Limited with effect from January 11, 2016]. 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 of the Company for the half year ended December 31, 2015 is un-audited and 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 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 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 of the Company for the year ended June 30, 2015.

**3. ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed 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 that applied to the audited annual financial statements for the year ended June 30, 2015.

**5. PROPERTY, PLANT AND EQUIPMENT**

|                                     | Note | (Un-audited)<br>31 Dec,<br>2015 | (Audited)<br>30 June,<br>2015 |
|-------------------------------------|------|---------------------------------|-------------------------------|
|                                     |      | (Rupees in thousand)            |                               |
| Operating fixed assets - tangible   | 5.1  | 1,095,192                       | 1,056,830                     |
| Capital work-in-progress            | 5.2  | 14,242                          | 28,888                        |
| Stores held for capital expenditure |      | 6,700                           | 35,417                        |
|                                     |      | <u>1,116,134</u>                | <u>1,121,135</u>              |

|   | Note  | (Un-audited)<br>31 Dec,<br>2015<br>(Rupees in thousand) | (Audited)<br>30 June,<br>2015 |
|---|-------|---|-------------------------------|
| <b>5.1 Operating fixed assets - tangible</b>  |       |   |                               |
| Book value at beginning of the period / year  |       | 1,056,830   | 1,048,788                     |
| Additions during the period / year  | 5.1.1 | 74,484  | 77,515                        |
| Book value of operating fixed assets  |       |   |                               |
| disposed-off during the period / year   |       | 0   | (476)                         |
| Depreciation charge for the period / year   |       | (36,122)  | (68,997)                      |
| Book value at end of the period / year  |       | 1,095,192   | 1,056,830                     |
| <b>5.1.1 Additions during the period / year:</b>  |       |   |                               |
| - buildings on freehold land  |       |   |                               |
| - factory   |       | 23,698  | 1,972                         |
| - non-factory   |       | 0   | 479                           |
| - residential   |       | 2,378   | 1,398                         |
| - plant & machinery   |       | 42,560  | 62,758                        |
| - gas fired power plant   |       | 0   | 7,623                         |
| - electric installations  |       | 135   | 824                           |
| - equipment & appliances  |       | 585   | 1,240                         |
| - furniture & fixtures  |       | 175   | 142                           |
| - vehicles  |       | 4,953   | 1,079                         |
|   |       | 74,484  | 77,515                        |
| <b>5.2 Capital work-in-progress</b>   |       |   |                               |
| Buildings on freehold land  |       |   |                               |
| - factory   |       | 0   | 18,384                        |
| - non-factory   |       | 0   | 674                           |
| Advance payments against  |       |   |                               |
| - freehold land   |       | 10,000  | 2,000                         |
| - plant and machinery   |       | 0   | 4,641                         |
| - computer software   |       | 4,242   | 3,189                         |
|   |       | 14,242  | 28,888                        |
| <b>6. STOCK-IN-TRADE</b>  |       |   |                               |
| Raw materials   |       | 134,306   | 133,060                       |
| Work-in-process   |       | 32,690  | 21,869                        |
| Finished goods  |       | 153,013   | 34,025                        |
|   |       | 320,009   | 188,954                       |
| <b>7. CONTINGENCIES AND COMMITMENTS</b>   |       |   |                               |
| <b>7.1 Contingencies</b>  |       |   |                               |
| <b>7.1.1</b> Guarantees aggregating Rs.63.409 million (June 30, 2015: Rs.41.562 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Limited.   |       |   |                               |
| <b>7.1.2</b> The Company, during the financial year ended June 30, 2015, has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the Peshawar High Court, Peshawar (PHC). The PHC has stayed the levy / cess charged through GIDC Act, 2015 and the Respondents were directed to submit their comments. Earlier, the Supreme Court of Pakistan had dismissed the appeal of the Federation on the same matter in August 2014, wherein it was held that the levy under the GIDC Act, 2011 was not covered under any entry relating to the imposition or levy of a tax as envisaged in the Constitution. |       |   |                               |
| Sui Northern Gas Pipelines Ltd., along with gas bill for the month of December, 2015, has raised GIDC demands aggregating Rs.146.642 million (June, 2015: Rs.105.716 million). This amount will become payable in case of an adverse judgement by the PHC. The petition before the PHC is pending adjudication.   |       |   |                               |
| <b>7.1.3</b> Refer to the contents of note 8.2.   |       |   |                               |

|                                 |                               |
|---------------------------------|-------------------------------|
| (Un-audited)<br>31 Dec,<br>2015 | (Audited)<br>30 June,<br>2015 |
| (Rupees in thousand)            |                               |

**7.2 Commitments**

- letters of credit for purchase of raw materials and stores and spare parts
- capital expenditure other than letters of credit

|        |         |
|--------|---------|
| 47,160 | 307,681 |
| 10,000 | 21,694  |

**8. TAXATION - Net**

|                                       | Un-audited                 |         |                 |        |
|---------------------------------------|----------------------------|---------|-----------------|--------|
|                                       | Quarter ended              |         | Half-year ended |        |
|                                       | December 31,               |         | December 31,    |        |
|                                       | 2015                       | 2014    | 2015            | 2014   |
|                                       | ----- Rupees in '000 ----- |         |                 |        |
| Current                               |                            |         |                 |        |
| - current tax for the period          | 1,326                      | (1,009) | 5,964           | 6,032  |
| - adjustment in respect of prior year | 210                        | 0       | 210             | 0      |
| Deferred                              | (13,415)                   | (784)   | (12,386)        | 13,804 |
|                                       | (11,879)                   | (1,793) | (6,212)         | 19,836 |

**8.1** Income tax assessments of the Company have been completed upto the Tax Year 2015. No numeric tax rate reconciliation has been given as provisions made during the current period represents minimum tax payable under section 113 after adjusting tax credit under section 65B of the Income Tax Ordinance, 2001.

**8.2** There has been no significant change in the status of pending tax cases as reported in the preceding audited annual financial statements of the Company for the year ended June 30, 2015.

**9. TRANSACTIONS WITH RELATED PARTIES**

**9.1** Significant transactions with related parties are as follows:

|  |                                 | (Un-audited)<br>Half-year ended<br>December 31 |                               |
|--|---------------------------------|--|-------------------------------|
|  |                                 | 2015   | 2014                          |
|  |                                 | (Rupees in thousand)                           |                               |
| Relationship                                   | Nature of transactions          |  |                               |
| Associated Companies                           | Sale of goods and services      | 0  | 7,660                         |
|  | Purchase of goods and services  | 7,675  | 1,343                         |
|  | Mark-up accrued on loan         | 4,237  | 6,089                         |
|  | Dividend paid                   | 12,165   | 20,275                        |
|  | Remuneration and other benefits | 10,096   | 8,516                         |
| Key management personnel                       |                                 |  |                               |
|  |                                 | (Un-audited)<br>31 Dec,<br>2015                | (Audited)<br>30 June,<br>2015 |
|  |                                 | (Rupees in thousand)                           |                               |
| 9.2 Period / year end balances are as follows: |                                 |  |                               |
| Loan from an Associated Company                |                                 | 100,000  | 100,000                       |

**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, 2015, 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 as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015.

**11. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2015, 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 condensed interim financial information of the Company for the half-year ended December 31, 2014.

**12. GENERAL**

**12.1** This condensed interim financial information was approved by the Board of Directors and authorised for issue on 26 February, 2016.

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

Chief Executive

Director