



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

**DIRECTORS' REVIEW REPORT**

The un-audited financial statements of the Company for the third quarter and nine months ended March 31, 2014 are being presented to you with the following observations.

Your company has earned Gross Profit of Rs. 215 million (12.71 %) as compared to Rs. 258 million (14.73%) in the same period of last year. Profit margins have declined due to depressed demand of yarn because of over-supply of yarn from India at low rates.

Your company has posted Profit Before Tax Rs. 96.01 million as compared to a Profit Before Tax of Rs. 147.72 million for the corresponding period of last year. The profitability has declined by mounting energy and operational costs brought about by increasing fuel & electricity rates and revision in minimum wage rate.

The yarn markets are still dull as manufacturers are already holding huge stocks of unsold yarn which is resulting in partial closure of spinning units. Slow demand from China and bulk supply of Indian Yarn has created challenge for yarn manufacturers. We expect that next quarter will remain depressed and it will be difficult to sell yarn profitably if antidumping measures are not taken by the Government to control duty free import of yarn.

The Management of your Company is committed to face challenges ahead. We have expanded production facilities by adding new ring frames during 3rd quarter, which will help to utilize idle resources 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: 29 April, 2014

**Salim Saifullah Khan**  
Chief Executive

**CONDENSED INTERIM BALANCE SHEET  
AS AT 31 MARCH, 2014**

|   | Note | Un-audited<br>31 Mar.,<br>2014<br>(Rupees in thousand) | Audited<br>30 June,<br>2013 |
|---|------|--|-----------------------------|
| <b>ASSETS</b>   |      |  |                             |
| <b>Non-Current Assets</b>   |      |  |                             |
| Property, plant and equipment   | 6    | 1,066,426  | 852,211                     |
| Intangible assets   |      | 371  | 459                         |
| Long term loans   |      | 1,316  | 1,032                       |
| Long term deposits  |      | 1,137  | 1,137                       |
|   |      | <b>1,069,250</b>                                       | <b>854,839</b>              |
| <b>Current Assets</b>   |      |  |                             |
| Stores, spares and loose tools  |      | 25,343   | 23,138                      |
| Stock-in-trade  |      | 446,588  | 455,961                     |
| Trade debts   |      | 135,082  | 153,025                     |
| Loans and advances  |      | 4,972  | 3,857                       |
| Deposits and short term prepayments   |      | 5,052  | 4,363                       |
| Other receivables   |      | 39   | 154                         |
| Taxation - net  | 9    | 71,155   | 53,063                      |
| Sales tax refundable  |      | 38,175   | 18,922                      |
| Cash and bank balances  |      | 587  | 5,829                       |
|   |      | <b>726,993</b>   | <b>718,312</b>              |
|   |      | <b>1,796,243</b>                                       | <b>1,573,151</b>            |
| <b>EQUITY AND LIABILITIES</b>   |      |  |                             |
| <b>SHARE CAPITAL AND RESERVES</b>   |      |  |                             |
| Authorized capital<br>2,000,000 ordinary shares of Rs. 10 each                      |      | <b>220,000</b>   | <b>220,000</b>              |
| Issued, subscribed and paid up capital<br>20,800,000 ordinary shares of Rs. 10 each |      | <b>208,000</b>   | <b>208,000</b>              |
| Unappropriated profit   |      | <b>149,819</b>   | <b>105,407</b>              |
|   |      | <b>357,819</b>   | <b>313,407</b>              |
| <b>SURPLUS ON REVALUATION OF PROPERTY,<br/>PLANT AND EQUIPMENT</b>                  |      | <b>310,366</b>   | <b>318,542</b>              |
| <b>NON-CURRENT LIABILITIES</b>  |      |  |                             |
| Loans from an Associated Company  |      | 130,178  | 130,178                     |
| Long term financing   | 7    | 199,859  | 50,000                      |
| Long term deposits  |      | 842  | 1,128                       |
| Deferred liability - staff retirement benefits                                      | 4    | 50,635   | 43,591                      |
| Deferred taxation - net   |      | 58,564   | 24,131                      |
|   |      | <b>440,078</b>   | <b>249,028</b>              |
| <b>CURRENT LIABILITIES</b>  |      |  |                             |
| Trade and other payables  |      | 229,023  | 210,695                     |
| Accrued interest / mark-up  |      | 20,351   | 14,585                      |
| Short term borrowings   |      | 336,731  | 404,394                     |
| Current portion of long term financing  |      | 101,875  | 62,500                      |
|   |      | <b>687,980</b>   | <b>692,174</b>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>  | 8    |  |                             |
|   |      | <b>1,796,243</b>                                       | <b>1,573,151</b>            |

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

**Salim Saifullah Khan**  
Chief Executive

**Assad Saifullah Khan**  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2014 (UN-AUDITED)**

|   | For the 3rd Quarter              |                     | Cumulative          |                     |
|---|----------------------------------|---------------------|---------------------|---------------------|
|   | Jan. - Mar.<br>2014              | Jan. - Mar.<br>2013 | Jul. - Mar.<br>2014 | Jul. - Mar.<br>2013 |
|   | ----- (Rupees in thousand) ----- |                     |                     |                     |
| <b>SALES</b>                                  | <b>491,101</b>                   | 555,721             | <b>1,692,642</b>    | 1,752,557           |
| <b>COST OF SALES</b>                          | <b>(439,093)</b>                 | (462,578)           | <b>(1,477,363)</b>  | (1,494,167)         |
| <b>GROSS PROFIT</b>                           | <b>52,008</b>                    | 93,143              | <b>215,279</b>      | 258,390             |
| <b>DISTRIBUTION COST</b>                      | <b>(3,201)</b>                   | (2,196)             | <b>(7,899)</b>      | (6,548)             |
| <b>ADMINISTRATIVE EXPENSES</b>                | <b>(14,466)</b>                  | (13,029)            | <b>(44,504)</b>     | (38,702)            |
| <b>OTHER OPERATING EXPENSES</b>               | <b>(4,650)</b>                   | (5,034)             | <b>(14,950)</b>     | (15,133)            |
| <b>OTHER OPERATING INCOME</b>                 | <b>22</b>                        | 0                   | <b>911</b>          | 879                 |
| <b>PROFIT FROM OPERATIONS</b>                 | <b>29,713</b>                    | 72,884              | <b>148,837</b>      | 198,886             |
| <b>FINANCE COST</b>                           | <b>(17,724)</b>                  | (15,988)            | <b>(52,835)</b>     | (51,157)            |
| <b>PROFIT BEFORE TAXATION</b>                 | <b>11,989</b>                    | 56,896              | <b>96,002</b>       | 147,729             |
| <b>TAXATION</b>                               |                                  |                     |                     |                     |
| CURRENT                                       | <b>(10,611)</b>                  | 2,768               | <b>(667)</b>        | 8,763               |
| DEFERRED                                      | <b>14,202</b>                    | 0                   | <b>34,432</b>       | 45,388              |
|   | <b>3,591</b>                     | 2,768               | <b>33,765</b>       | 54,151              |
| <b>PROFIT AFTER TAXATION</b>                  | <b>8,398</b>                     | 54,128              | <b>62,237</b>       | 93,578              |
| <b>OTHER COMPREHENSIVE INCOME</b>             | <b>0</b>                         | 0                   | <b>0</b>            | 0                   |
| <b>TOTAL COMPREHENSIVE INCOME</b>             | <b>8,398</b>                     | 54,128              | <b>62,237</b>       | 93,578              |
|   | ----- (Rupees) -----             |                     |                     |                     |
| <b>EARNINGS PER SHARE - basic and diluted</b> | <b>0.40</b>                      | 2.60                | <b>2.99</b>         | 4.50                |

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

**Salim Saifullah Khan**  
Chief Executive

**Assad Saifullah Khan**  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2014 (UN-AUDITED)**

|   | Nine Months ended |                   |
|---|-------------------|-------------------|
|   | 31, March<br>2014 | 31, March<br>2013 |
| (Rupees in thousand)  |                   |                   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                   |                   |
| Profit for the period - before taxation                       | 96,002            | 147,729           |
| Adjustments for non-cash charges and other items:             |                   |                   |
| Depreciation  | 40,582            | 37,472            |
| Amortisation  | 88                | 78                |
| Unclaimed payable balances written-back                       | 0                 | (879)             |
| Staff retirement benefits - gratuity (net)                    | 7,044             | 3,072             |
| Gain / (loss) on disposal of operating fixed assets           | (46)              | 1,198             |
| Finance cost  | 52,835            | 51,157            |
| <b>PROFIT BEFORE WORKING CAPITAL CHANGES</b>                  | <b>196,505</b>    | <b>239,827</b>    |
| <b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>     |                   |                   |
| (Increase) / decrease in current assets:                      |                   |                   |
| Stores, spare parts and loose tools                           | (2,205)           | (410)             |
| Stock-in-trade  | 9,373             | (104,869)         |
| Trade debts   | 17,943            | (92,198)          |
| Loans and advances  | (1,115)           | (3,776)           |
| Deposits and short term prepayments                           | (689)             | (1,596)           |
| Other receivables   | 115               | (747)             |
| Sales tax refundable  | (19,253)          | (1,030)           |
| Increase / (Decrease) in trade and other payables             | 18,049            | (34,567)          |
|   | 22,218            | (239,193)         |
| <b>CASH GENERATED FROM OPERATIONS</b>                         | <b>218,723</b>    | <b>634</b>        |
| Income tax paid   | (17,425)          | (16,881)          |
| Long term loans - net   | (284)             | 192               |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>           | <b>201,014</b>    | <b>(16,055)</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                   |                   |
| Additions to property, plant and equipment                    | (255,445)         | (80,644)          |
| Sale proceeds of operating fixed assets                       | 694               | 2,081             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                  | <b>(254,751)</b>  | <b>(78,563)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                   |                   |
| Long term financing - obtained                                | 189,234           | (56,250)          |
| Long term deposits  | (286)             | 257               |
| Short term borrowings - net                                   | (67,663)          | 225,605           |
| Dividend paid   | (25,721)          | (17,888)          |
| Finance cost paid   | (47,069)          | (54,709)          |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>           | <b>48,495</b>     | <b>97,015</b>     |
| <b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b> | <b>(5,242)</b>    | <b>2,397</b>      |
| <b>CASH AND CASH EQUIVALENTS - at beginning of the period</b> | <b>5,829</b>      | <b>731</b>        |
| <b>CASH AND CASH EQUIVALENTS - at end of the period</b>       | <b>587</b>        | <b>3,128</b>      |

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

**Salim Saifullah Khan**  
Chief Executive

**Assad Saifullah Khan**  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2014 (UN-AUDITED)**

|   | Share<br>Capital | (Accumulated Loss) /<br>unappropriated<br>Profit | Total<br>equity |
|---|------------------|--|-----------------|
| ------(Rupees In thousand)-----   |                  |  |                 |
| Balance as at July 01, 2012<br>(audited and restated) - note 4  | 208,000          | (5,474)  | 202,526         |
| Total comprehensive income for the<br>nine month ended 31 March, 2013   | 0                | 93,578   | 93,578          |
| Cash dividend for the year ended June 30, 2012<br>at the rate of Re.1 per share   | 0                | (20,800)   | (20,800)        |
| Surplus on revaluation of property,<br>plant and equipment realised during<br>the period - net of deferred taxation:<br>- on account of incremental depreciation<br>for the period                                    | 0                | 9,208  | 9,208           |
| <b>Balance as at 31 March, 2013</b>   | <b>208,000</b>   | <b>76,512</b>                                    | <b>284,512</b>  |
| Total comprehensive income for the<br>quarter ended 30 June, 2013   | 0                | 25,172   | 25,172          |
| Surplus on revaluation of property,<br>plant and equipment realised during<br>the period - net of deferred taxation:<br>- on account of incremental depreciation<br>for the quarter<br>- upon sale of revalued assets | 0<br>0           | 2,478<br>1,193                                   | 2,478<br>1,193  |
| <b>Balance as at 30 June, 2013 - restated</b>   | <b>208,000</b>   | <b>105,355</b>                                   | <b>313,355</b>  |
| Balance as at July 01, 2013<br>(audited and restated) - note 4  | 208,000          | 105,407  | 313,407         |
| Cash dividend for the year ended June 30, 2013<br>at the rate of Rs.1.25 per share  | 0                | (26,000)   | (26,000)        |
| Total comprehensive income for the<br>nine month ended 31 March, 2014   | 0                | 62,237   | 62,237          |
| 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                | 8,175  | 8,175           |
| <b>Balance as at 31 March, 2014</b>   | <b>208,000</b>   | <b>149,819</b>                                   | <b>357,819</b>  |

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

**Salim Saifullah Khan**  
Chief Executive

**Assad Saifullah Khan**  
Director

**NOTES TO AND FORMING PART OF THE  
CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD OF NINE MONTHS ENDED 31 MARCH, 2014 (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.

**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, 2013 except for the adoption of a new accounting policy as referred to in note 4.

**4. AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN THE CURRENT PERIOD**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2013 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information except for IAS 19 (revised), 'Employee Benefits'. The impact of this amendment on the condensed interim financial information is as follows:

IAS 19 (revised) applicable for annual period beginning on and after January 01, 2013, has eliminated the corridor approach and requires to calculate finance cost on net funding bases. The Company has applied this change in accounting policy retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the earliest period presented in the condensed interim statement of changes in equity and condensed interim balance sheet has been restated; the effect of restatement on profit and loss account and cash flow statement, being immaterial, has been ignored. The Company has recorded unrecognised actuarial losses associated with retirement benefits - gratuity by adjusting the opening balance of (accumulated loss) / unappropriated profit and retirement benefits for the prior period presented and has used latest actuarial valuation conducted as on June 30, 2012 for making these adjustments. No fresh actuarial assessment has been carried-out for the preparation of this condensed interim financial information.

Effects of change in accounting policy are as follows:

|  | As at June 30, 2013        |              |              | As at June 30, 2012        |              |              |
|--|----------------------------|--------------|--------------|----------------------------|--------------|--------------|
|  | Before restatement         | As re-stated | Re-statement | Before restatement         | As re-stated | Re-statement |
|  | ----- Rupees in '000 ----- |              |              | ----- Rupees in '000 ----- |              |              |
| Staff retirement benefits                  | 39,272                     | 43,591       | 4,319        | 34,659                     | 39,030       | 4,371        |
| Unappropriated profit / (accumulated loss) | 109,726                    | 105,407      | (4,319)      | (1,103)                    | (5,474)      | (4,371)      |

**5. 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 uncertainty were the same as those applied to the financial statements for the year ended June 30, 2013.



| 6. PROPERTY, PLANT AND EQUIPMENT  |           | (Un-audited)<br>31 March,<br>2014 | (Audited)<br>30 June,<br>2013 |
|---|-----------|-----------------------------------|-------------------------------|
| Note  |           | (Rupees in thousand)              |                               |
| Operating fixed assets  | 6.1       | 976,479                           | 814,017                       |
| Capital work-in-progress  | 6.3       | 76,061                            | 5,644                         |
| Stores held for capital expenditure   |           | 13,886                            | 32,550                        |
|   |           | <u>1,066,426</u>                  | <u>852,211</u>                |
| <b>6.1 Operating fixed assets</b>   |           |                                   |                               |
| Book value at beginning of the period / year                                  |           | 814,017                           | 793,359                       |
| Additions during the period / year  | 6.2       | 203,692                           | 76,601                        |
| Book value of operating fixed assets<br>disposed-off during the period / year |           | (648)                             | (5,220)                       |
| Depreciation charge for the period / year                                     |           | (40,582)                          | (50,723)                      |
| Book value at end of the period / year  |           | <u>976,479</u>                    | <u>814,017</u>                |
| <b>6.2 Additions during the period / year:</b>                                |           |                                   |                               |
| - buildings on freehold land  |           |                                   |                               |
| - factory   |           | 18,191                            | 0                             |
| - residential   |           | 3,182                             | 0                             |
| - plant & machinery   |           | 150,714                           | 58,282                        |
| - gas fired power plant   |           | 25,668                            | 0                             |
| - electric installations  |           | 834                               | 314                           |
| - equipment & appliances  |           | 1,015                             | 2,099                         |
| - furniture & fixtures  |           | 176                               | 323                           |
| - vehicles  |           | 3,912                             | 15,583                        |
|   |           | <u>203,692</u>                    | <u>76,601</u>                 |
| <b>6.3 Capital work-in-progress</b>   |           |                                   |                               |
| Buildings on freehold land  |           |                                   |                               |
| - factory   |           | 2,751                             | 2,353                         |
| - non - factory   |           | 0                                 | 2,669                         |
| - gas fired power plant   |           | 73,310                            | 0                             |
| Advance payments against purchase of vehicle                                  |           | 0                                 | 622                           |
|   |           | <u>76,061</u>                     | <u>5,644</u>                  |
| <b>7. LONG TERM FINANCING</b>   |           |                                   |                               |
| Balance at the beginning of the period / year                                 |           | 112,500                           | 187,500                       |
| Add: disbursement made during the period / year                               | 7.1 & 7.2 | 239,234                           | 0                             |
| Less: repayments made during the period / year                                | 7.3       | 50,000                            | 75,000                        |
|   |           | <u>301,734</u>                    | <u>112,500</u>                |
| <b>Less: current portion grouped under current liabilities</b>                |           | <u>101,875</u>                    | <u>62,500</u>                 |
|   |           | <u>199,859</u>                    | <u>50,000</u>                 |

**7.1** The Bank of Punjab (BOP), during the current period, against a term finance facility of Rs.135 million has disbursed Rs.135 million till March 31, 2014. This finance facility is repayable in 6 equal half-yearly instalments of Rs.22.500 million each commencing December, 2014 and is secured against first pari passu charge on fixed assets of the Company for Rs.133.334 million.

**7.2** United Bank Limited, during the current period, against a demand finance facility of Rs.110 million has disbursed Rs.104.234 million till March 31, 2014. This finance facility is repayable in 16 equal quarterly instalments of Rs.6.875 million each commencing February, 2015 and is secured against first pari passu hypothecation charge on all fixed assets of the Company for Rs.146.670 million.

**7.3** Outstanding balance of term finance facility of Rs.100 million (Term finance - II) has been fully repaid during the period to BOP.

7.4 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, 2013.

#### 8. CONTINGENCIES AND COMMITMENTS

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

#### 9. TAXATION - Net

|   | (Un-audited)<br>31 March,<br>2014 | (Audited)<br>30 June,<br>2013 |
|---|-----------------------------------|-------------------------------|
|   | (Rupees in thousand)              |                               |
| Balance of provision/(advance tax) at beginning of the year | 53,063                            | 38,131                        |
| Add: Provision during the period/year                       |                                   |                               |
| Current   | 16,926                            | 11,775                        |
| Tax credit against BMR u/s 65B                              | (17,593)                          | (5,828)                       |
|   | (667)                             | 5,947                         |
|   | 53,730                            | 32,184                        |
| Income tax paid during the period/year                      | 17,425                            | 20,879                        |
|   | <u>71,155</u>                     | <u>53,063</u>                 |

#### 10. TRANSACTIONS WITH RELATED PARTIES

10.1 Significant transactions with related parties are as follows:

| Relationship         | Nature of transactions             | (Un-audited)<br>Jul-Mar<br>2014 | 2013   |
|----------------------|------------------------------------|---------------------------------|--------|
|                      |                                    | (Rupees in thousand)            |        |
| Associated Companies | - sale of goods and services       | 5,583                           | 49,583 |
|                      | - sale of fixed assets             | 0                               | 430    |
|                      | - purchase of goods and services   | 20,808                          | 0      |
|                      | - purchase of goods and services   | 736                             | 0      |
|                      | Mark-up accrued on:                |                                 |        |
|                      | - loans from an associated company | 7,937                           | 9,377  |
|                      | - short term borrowing             | 0                               | 283    |
|                      | Dividend paid                      | 20,275                          | 16,220 |

|   | (Un-audited)<br>31 March,<br>2014 | (Audited)<br>30 June,<br>2013 |
|---|-----------------------------------|-------------------------------|
|   | (Rupees in thousand)              |                               |
| 10.2 Period / year end balances are as follows: |                                   |                               |
| Loans from an Associated Company                | 130,178                           | 130,178                       |
| Other payable                                   | 556                               | 0                             |

#### 11. 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, 2013, 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, 2013.

**12. 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.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made except for re-statement made in accordance with IAS 19 (revised) as reflected in note 4 to this condensed interim financial information.

**13. GENERAL**

**13.1** This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 29, 2014.

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

**Salim Saifullah Khan**  
Chief Executive

**Assad Saifullah Khan**  
Director

