



SAIF GROUP



## Kohat Textile Mills Limited

HALF YEARLY REPORT (REVIEWED)

DECEMBER 31, 2024

# ENTITY RATING OF KOHAT TEXTILE MILLS LIMITED

Long Term	A-
Short Term	A2

Stable outlook

**CREDIT RATING AGENCY**



The Pakistan Credit Rating Agency Limited



02	Company Information
03	Directors' Review
05	Independent Auditors' Review Report to the Members on condensed Interim Financial Statements
06	Condensed Interim Statement of Financial Position
07	Condensed Interim Statement of Profit or loss and other Comprehensive Income
08	Condensed Interim Statement of Cash Flows
09	Condensed Interim Statement of Changes in Equity
10	Notes to the Condensed Interim Financial Statements

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Javed Saifullah Khan (Chairman)  
Barrister Assad Saifullah Khan (Chief Executive Officer)  
Anwar Saifullah Khan  
Hoor Yousafzai  
Asif Saifullah Khan  
Rana Muhammad Shafi  
Abdul Rehman Qureshi  
Sardar Aminullah Khan

## AUDIT COMMITTEE

Abdul Rehman Qureshi (Chairman)  
Sardar Aminullah Khan  
Rana Muhammad Shafi

## HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi (Chairman)  
Barrister Assad Saifullah Khan  
Hoor Yousafzai

## CHIEF FINANCIAL OFFICER

Abid Hussain

## SR. DIRECTOR TECHNICAL

Badar Us Samee

## GENERAL MANAGER MARKETING & SALES

Amir Badshah

## COMPANY SECRETARY

Saad Gul Karori

## HEAD OF INTERNAL AUDIT

Muhammad Adeel Raza

## AUDITORS

Shinewing Hameed Chaudhri & Co.,  
Chartered Accountants

## LEGAL ADVISOR

Abdul Khaliq

## BANKERS / DFIs

Askari Bank Limited  
Al Baraka Bank Pakistan Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Limited  
First Habib Modaraba  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Oman Investment Company Limited  
Soneri Bank Limited  
Saudi Pak Industrial & Agricaltural  
Investment Company Limited  
The Bank of Punjab  
The Bank of Khyber  
United Bank Limited

## HEAD OFFICE

4<sup>th</sup> Floor, Kashmir Commercial Complex,  
Fazal-e-Haq Road, Blue Area  
Islamabad  
Phone : (051) 2604733-5  
Fax : (051) 2604732  
email : ktm@saifgroup.com

## REGISTERED OFFICE

APTMA House, Tehkal Payan,  
Jamrud Road, Peshawar  
Phone : (091) 5843870, 5702941  
Fax : (091) 5840273  
email : Peshawar@saifgroup.com

## MILLS

Saifabad, Kohat  
Phone : (0922) 862309, 862065  
Fax : (0922) 862057  
email : ktmkht@saifgroup.com

## SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.,  
HM House, 7-Bank Square, Lahore  
Phone : (042)-37235081  
(042)-37325082  
Fax : (042)-37358817  
email : info@hmaconsultants.com

## WEB SITE

www.kohattextile.com

# DIRECTORS' REVIEW

## Dear Members,

The Directors of Kohat Textile Mills Limited are pleased to present the financial statements of the Company for the half-year ended December 31, 2024, duly reviewed by the statutory auditors.

## Financial review

The company achieved sales of Rs. 4,147 million, reflecting a 13% increase compared to Rs. 3,678 million in the same period last year. Despite the unprecedented rise in gas prices, the company successfully maintained profitability, posting a pre-tax profit of Rs. 197 million, representing 59% growth.

The plant operated at full capacity, enabling the Company to absorb cost increases while improving its bottom line. Additionally, the Company remains regular in debt servicing with all banks.

## Outlook

Economic indicators show encouraging signs, including a stable currency, a reduced current account deficit, lower inflation, declining interest rates, and improved foreign exchange reserves. The sharper than expected decline in baseline inflation suggests potential for additional cuts in policy rates by the State Bank of Pakistan, which could further stimulate demand driven growth.

The textile sector holds significant potential for improvement, but continued Government support is essential to prioritize it as a key industry.

To enhance efficiency and competitiveness, the Company's Board has approved a BMR plan to replace old machinery with advanced technology, expected to boost revenues, reduce costs, and enhance profitability. Letters of credit for BMR machinery have been established after the balance sheet date.

Furthermore, the Company's new 3 MW solar project is now operational, increasing the total solar capacity to 5.1 MW-- sufficient to fully meet the factory's energy requirements.

The management remains optimistic about achieving consistent profitability in the third quarter of the current financial year.

## Acknowledgement

The Directors sincerely thank the Company's members, financial institutions, and customers for their ongoing support and cooperation. They also extend their deep appreciation to the Company's employees for their dedication, loyalty and hard work. Their contributions have been essential to the Company's achievements, and the Directors look forward to their continued commitment in the future.

**For and on Behalf of the Board**



**ASSAD SAIFULLAH KHAN**  
Chief Executive Officer



**RANA MUHAMMAD SHAFI**  
Director

Place : Islamabad

Dated : February 25, 2025

# ڈائیکٹرز جائزہ

معزز اراکین

کوہاٹ ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز خوشی کے ساتھ کہتی ہیں کہ مالی گوشوارے پیش کرتے ہیں جو 31 دسمبر 2024 کو ختم ہونے والے نصف سال کے لیے ہیں، جو کہ قانونی آڈیٹرز کے ذریعے جائزہ شدہ ہیں۔

مالیاتی کارکردگی

کہتی ہیں 147، 4 ملین روپے کا کاروبار حاصل کیا، جو کہ پچھلے سال اسی عرصے کے دوران 13 فیصد اضافے کے ساتھ 3,678 ملین روپے رہا۔ گیس کی قیمتوں میں بے پناہ اضافے کے باوجود، کہتی ہیں اپنی منافع بخش کارکردگی کو برقرار رکھا اور 197 ملین روپے کا قبل از ٹیکس منافع حاصل کیا، جو 59 فیصد زریقی کوٹا ہر کرتا ہے۔

پلانٹ کی مکمل پیداواری صلاحیت کے ساتھ کام کرنے کی بدولت، کہتی ہیں اگست میں اضافے کو مؤثر طریقے سے جذب کیا اور منافع میں بہتری لائی۔ مزید برآں، کہتی ہیں تمام مالیاتی اداروں کے ساتھ قرضوں کی ادائیگیاں باقاعدگی سے جاری ہیں۔

مستقبل کا نقطہ نظر

معاشی اشاریے مثبت رجحان ظاہر کر رہے ہیں، جن میں مضحکہ کھڑی کم ہوتا ہوا کرنٹ اکاؤنٹ خسارہ، کم افراط زر، گرتی ہوئی سود کی شرح اور زرمبادلہ کے ذخائر میں بہتری شامل ہے۔ بنیادی افراط زر میں توقع سے زیادہ کمی اس بات کی نشاندہی کرتی ہے کہ اسٹیٹ بینک آف پاکستان سے پالیسی ریٹ میں مزید کمی متوقع ہے، جس سے طلب پر مبنی ترقی کو مزید فروغ مل سکتا ہے۔

ٹیکسٹائل شعبے میں ترقی کے وسیع مواقع موجود ہیں، تاہم، حکومت کی مسلسل معاونت ضروری ہے تاکہ اسے ایک کلیدی صنعت کے طور پر فروغ دیا جاسکے۔

کہتی ہیں مسابقتی صلاحیت میں اضافہ اور کارکردگی کو مزید بہتر بنانے کے لیے، بورڈ نے پی ایم آر (مشینری کی تجدید و تجدید کاری) منصوبے کی منظوری دی ہے، جس کے تحت پرانی مشینری کو جدید ٹیکنالوجی سے تبدیل کیا جائے گا۔ اس اقدام سے آمدنی میں اضافے، اخراجات میں کمی، اور منافع میں بہتری کی توقع ہے۔ پی ایم آر مشینری کے لیے لیور آف کریڈٹ ٹینلس شیٹ کی تاریخ کے بعد کھول دیے گئے ہیں۔

اس کے علاوہ، کہتی ہیں 3 میگ واٹ کے مولر پروجیکٹ نے کام شروع کر دیا ہے، جس سے مجموعی مشینی صلاحیت 5.1 میگ واٹ تک پہنچ گئی ہے۔ جو کہ ٹیکسٹائل کی توانائی کی مکمل ضروریات پوری کرنے کے لیے کافی ہے۔

انتظامیہ موجودہ سال کی تیسری سہ ماہی میں بھی منافع بخش کارکردگی حاصل کرنے کے بارے میں پرامید ہے۔

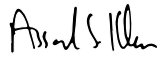
اظہاری تشکر

ڈائریکٹرز دل سے کہتی ہیں کہ ارکان، مالی اداروں اور گاہکوں کا ان کی مسلسل حمایت اور تعاون کے لیے شکریہ ادا کرتے ہیں۔ وہ کہتی ہیں کہ ملازمین کا بھی تہہ دل سے شکریہ ادا کرتے ہیں ان کی لگن، وفاداری اور محنت کے لیے۔ ان کی کوششیں کہتی ہیں کامیابیوں کے لیے انتہائی اہم رہی ہیں، اور ڈائریکٹرز مستقبل میں ان کی مسلسل وابستگی کا غیر متقدم کرتے ہیں۔

بورڈ ہذا کی جانب سے



رانا محمد شفیق  
ڈائریکٹر



اسد سیف اللہ خان  
چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

تاریخ: فروری 25، 2025

# INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF KOHAT TEXTILE MILLS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Kohat Textile Mills Limited** (the Company) as at December 31, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six months period then ended (herein-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

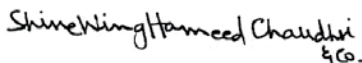
## Scope of Review

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 statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Nafees Ud Din.



**SHINEWING HAMEED CHAUDHRI & CO.,**

CHARTERED ACCOUNTANTS

Place: Lahore

Date: February 25, 2025


UDIN: RR202410195ViEzHoq4k

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in thousand)	
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	5,342,364	4,987,986
Long term investments		4,886	4,886
Long term loans		1,437	1,380
Long term deposits		7,925	16,321
		5,356,612	5,010,573
<b>Current assets</b>			
Stores, spare parts and loose tools		60,966	56,718
Stock-in-trade		1,561,999	1,360,565
Trade debts		1,691,189	1,760,880
Loans and advances		7,191	2,530
Deposits, prepayments and other receivables		26,326	20,489
Sales tax refundable		5,643	0
Taxation		33,709	93,789
Cash and bank balances		23,483	9,619
		3,410,506	3,304,590
		8,767,118	8,315,163
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
22,000,000 ordinary shares of Rs.10 each		220,000	220,000
Issued, subscribed and paid up capital		208,000	208,000
Revenue reserve			
- unappropriated profit		1,264,514	1,138,970
Capital reserve			
- surplus on revaluation of property, plant and equipment		2,555,833	2,563,588
Unrealised loss on financial assets at fair value through other comprehensive income		(114)	(114)
		4,028,233	3,910,444
<b>Non-current liabilities</b>			
Long term financing	7	761,705	588,686
Long term deposits		8,307	7,281
Deferred income - government grant		14,059	18,243
Deferred liability - staff retirement benefits		225,649	209,834
Deferred taxation - net		293,770	289,094
		1,303,490	1,113,138
<b>Current liabilities</b>			
Trade and other payables		794,455	944,824
Contract liabilities		5,015	2,210
Accrued mark-up / profit		91,034	130,196
Short term borrowings	8	2,301,704	1,919,215
Current portion of non-current liabilities	9	198,208	194,427
Unpaid dividend		282	209
Unclaimed dividend		939	939
Provision for tax levies	10	43,758	99,561
		3,435,395	3,291,581
<b>Contingencies and commitments</b>	11		
		8,767,118	8,315,163

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME(UN-AUDITED) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Quarter ended		Six months period ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Note	(Rupees in thousand)			
Sales - net	12	2,218,465	2,044,565	4,147,428	3,678,357
Cost of sales		(1,954,308)	(1,782,539)	(3,566,967)	(3,107,414)
Gross profit		264,157	262,026	580,461	570,943
Distribution cost		(30,454)	(26,837)	(53,440)	(47,728)
Administrative expenses		(49,217)	(44,172)	(92,979)	(84,762)
Other expenses		(9,900)	(5,447)	(16,550)	(11,437)
Other income		27,097	12,191	27,235	13,077
Profit from operations		201,683	197,761	444,727	440,093
Finance cost		(108,708)	(163,986)	(247,742)	(316,270)
Profit before taxation and minimum tax levies		92,975	33,775	196,985	123,823
Minimum tax levies	10	(27,746)	(23,901)	(51,858)	(45,989)
Profit before taxation		65,229	9,874	145,127	77,834
Taxation					
Income tax		(1,862)	1,000	(1,862)	0
Deferred tax		(3,866)	15,755	(4,676)	12,463
		(5,728)	16,755	(6,538)	12,463
Profit after taxation		59,501	26,629	138,589	90,297
Other comprehensive income		0	0	0	0
Total comprehensive income		59,501	26,629	138,589	90,297
----- Rupees -----					
Earnings per share					
- basic and diluted		2.86	1.28	6.66	4.34


The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended	
	December 31, 2024	December 31, 2023
	(Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Profit for the period - before taxation and minimum tax levies	196,985	123,823
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and right-of- use assets	68,839	74,187
Gain on sale of operating fixed assets	(11,440)	(1,813)
Staff retirement benefits - gratuity (net)	15,815	9,716
Finance cost	247,742	316,270
<b>Profit before working capital changes</b>	517,941	522,183
<b>Effect on cash flows due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(4,248)	3,122
Stock-in-trade	(201,434)	(26,551)
Trade debts	69,691	(160,721)
Loans and advances	(4,661)	799
Deposits, prepayments and other receivables	(5,837)	872
Sales tax refundable	(5,643)	0
<b>(Decrease) / increase in current liabilities:</b>		
Trade and other payables	(150,369)	(151,118)
Contract liabilities	2,805	886
	(299,696)	(332,711)
<b>Cash generated from operating activities</b>	218,245	189,472
Taxes paid	(49,443)	(47,073)
Long term loans - net	(57)	142
<b>Net cash generated from operating activities</b>	168,745	142,541
<b>Cash flows from investing activities</b>		
Additions in property, plant and equipment	(449,377)	(27,344)
Sale proceeds of operating fixed assets	37,600	2,775
<b>Net cash used in investing activities</b>	(411,777)	(24,569)
<b>Cash flows from financing activities</b>		
Long term financing - obtained	300,000	0
- repaid	(127,384)	(107,698)
Lease liabilities - net	8,396	(3,128)
Long term deposits	1,026	1,232
Short term borrowings - net	382,489	297,158
Dividend paid	(20,727)	0
Finance cost paid	(286,904)	(305,794)
<b>Net cash generated from / (used in) financing activities</b>	256,896	(118,230)
<b>Net increase / (decrease) in cash and cash equivalents</b>	13,864	(258)
<b>Cash and cash equivalents - at beginning of the period</b>	9,619	14,273
<b>Cash and cash equivalents - at end of the period</b>	23,483	14,015

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Share capital	Revenue reserves	Capital reserve	Unrealised loss on financial assets at fair value through other comprehensive income	Total
	Unappropriated profit	Revaluation surplus on property, plant and equipment		

(Rupees in thousand)

Balance as at June 30, 2024 (audited)

208,000 1,138,970 2,563,588 (114) 3,910,444

Transactions with owners in their capacity as owners recognised directly in equity

Final cash dividend for the year ended June 30, 2024 @ Rupee 1.00 per share

0 (20,800) 0 0 (20,800)

Total comprehensive income for the six months period ended December 31, 2024

Profit for the period

0 138,589 0 0 138,589

Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)

0 7,755 (7,755) 0 0

Balance as at December 31, 2024 (un-audited)

208,000 1,264,514 2,555,833 (114) 4,028,233

Balance as at June 30, 2023 (audited)

208,000 916,972 2,584,203 (114) 3,709,061

Total comprehensive income for the six months period ended December 31, 2023

Profit for the period

0 90,297 0 0 90,297

Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)

0 6,086 (6,086) 0 0

Balance as at December 31, 2023 (un-audited)

208,000 1,013,355 2,578,117 (114) 3,799,358

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

## 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 Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

- 1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Kohat</b> Saifabad	<b>Purpose</b> Mills / factory
<b>Peshawar</b> KPTMA house, Tehkal Payan, Jamrud Road	Registered office
<b>Islamabad</b> 4 <sup>th</sup> Floor, Kashmir Commercial Complex, Fazal-e-haq road, Blue Area	Head office
<b>Karachi</b> Plot No. 36, New Karachi Cooperative Housing Society Near Dolmen Mall Tariq Road	Marketing & Sales office
<b>Faisalabad</b> P-17, Near Allied Bank Ltd, Montgomery Bazar,	Marketing & Sales office

- 1.2 The Company is a Subsidiary Company of Saif Holdings Limited (the Holding Company), which holds 77.98% (June 30, 2024: 77.98%) of the Company's issued, subscribed and paid-up capital.

## 2. Basis of preparation

### 2.1 Statement of compliance

These condensed interim financial statements (the interim financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, (Interim financial reporting), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act, differ with the requirements of IAS 34 or IFASs, the provisions of and directives issued under the Act have been followed.

- 2.2 These interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.
- 2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2024 have, however, been subjected to limited scope review by the external Auditors.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

### 2.4 Functional and presentation currency

These interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

### 3. Material accounting policy information

The material accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2024, except as detailed in note 3.1:

#### 3.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior periods' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these interim financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the condensed statement of profit or loss for the six months period ended December 31, 2023, in terms of the requirements of IFRIC 21 / IAS 37, minimum tax levies aggregating Rs.45,989 million, which were previously presented as taxation have now been reclassified as "minimum tax levies".

### 4. Changes In accounting standards, interpretations and pronouncements

#### 4.1 Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting periods which began on July 01, 2024. However, these do not have any significant impact on the Company's financial reporting.

#### 4.2 Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these interim financial statements.

### 5. Accounting estimates and judgements

The preparation of these interim financial statements 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 these interim financial statements, 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, 2024.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

6. Property, plant and equipment		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in thousand)	
Operating fixed assets	6.1	4,907,468	4,937,654
Capital work-in-progress	6.2	373,426	0
Stores held for capital expenditure		61,470	50,332
		<b>5,342,364</b>	<b>4,987,986</b>
<b>6.1 Operating fixed assets - tangible</b>			
<b>Book value at beginning of the period / year</b>		<b>4,937,654</b>	<b>4,989,755</b>
Additions during the period / year	6.1.1	64,813	97,277
Transfer from right of use assets to owned assets		0	2,843
Disposals at net book value [cost Rs.26.160 million (June 30, 2024: Rs.34.977 million) ]		(26,160)	(7,823)
Depreciation charge for the period / year		(68,839)	(144,398)
<b>Book value at end of the period / year</b>		<b>4,907,468</b>	<b>4,937,654</b>
<b>6.1.1 Additions during the period / year</b>			
Buildings on freehold land			
- factory		0	17,125
- residential		0	298
Plant & machinery		34,668	70,230
Gas fired power plant		2,095	0
Electric installations		0	9,101
Equipment & appliances		1,211	503
Furniture & fixtures		0	20
Vehicles		26,839	0
		<b>64,813</b>	<b>97,277</b>
<b>6.2 Capital work-in-progress</b>			
Factory buildings		9,703	0
Plant and machinery		11,568	0
Electric installations	6.2.1	352,155	0
<b>Book value at end of the period</b>		<b>373,426</b>	<b>0</b>

**6.2.1** These include cost of 3 MW solar project amounting Rs.315 million purchased from Sky Electric (Pvt.) Ltd. (an Associated Company) and mark-up on long term finance facilities capitalised aggregating Rs.29.136 million.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

### 7. Long term financing- secured

	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in thousand)	
Balance at beginning of the period / year	771,427	848,703
Add:		
- disbursements made during the period / year	300,000	125,000
- unwinding impact of government grant	6,005	14,023
	306,005	139,023
Less: repayments made during the period / year	(127,384)	(216,299)
Balance at end of the period / year	950,048	771,427
Less: current portion grouped under current liabilities	(188,343)	(182,741)
	761,705	588,686

7.1 All the terms and conditions of long term financing are materially the same as disclosed in the audited financial statements of the Company for the year ended June 30, 2024. Effective mark-up rates charged, during the period, ranged from 3.50% to 21.76% (June 30, 2024: 3.50% to 24.07%) per annum.

7.2 The Company, during the period, has availed a long term finance facility of Rs.300 million from Saudi Pak Industrial and Investment Company Ltd. for installation of 3 MW power project. The finance facility tenor is 6 years from the date of first disbursement including one year grace period and carries mark-up at the rate of 3 months KIBOR plus 150 bps. The finance facility is secured against ranking charge on fixed assets of the Company with 25% margin.

### 8. Short term borrowings

8.1 Short term finance facilities available from various commercial banks aggregate to Rs.2,450 million (June 30, 2024: Rs.2,200 million). These facilities, during the period, carried mark-up / profit at the rates ranging from 13.19% to 22.67% (June 30, 2024: 18.11% to 25.71%) per annum payable on quarterly basis. Facilities available for opening letters of credit / guarantee from various commercial banks aggregate to Rs.1,659 million (June 30, 2024: Rs.1,559 million) of which the amounts aggregating Rs.790.369 million (June 30, 2024: Rs.571.175 million) remained unutilised at the reporting date.. These facilities are expiring on various dates by November, 2025.

8.2 The Company, during the period, has obtained a short term finance facility of Rs.14.994 billion from a commercial bank for investment in treasury bills. The finance facility is fully secured against lien over treasury bills valuing Rs.14.994 billion, The maturity date of these treasury bills is February 28, 2025.

For better presentation, the cost of treasury bills has been offset against the balance of this finance facility.

Mark-up expense on short term finance facility for the period amounting Rs.89.720 million has been adjusted against the yield earned on treasury bills amounting Rs.97.771 million and differential of Rs.8.051 million has been grouped in other income.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
<b>9. Current portion of non-current liabilities</b>		
Long term financing	188,343	182,741
Government grant	9,865	11,686
	<b>198,208</b>	<b>194,427</b>
<b>10. Provision for tax levies - net</b>	<b>2024</b>	
	<b>"Rupees in '000"</b>	
Balance at beginning of the period	99,561	
Add : provision made during the period	51,858	
Less : adjustment made against completed assessments	(107,661)	
	<b>43,758</b>	
<b>11. Contingencies and commitments</b>		
<b>11.1 Contingencies</b>		
There has been no significant change during the period in the contingencies reported in the audited financial statements of the Company for the year ended June 30, 2024.		
<b>11.2 Commitments</b>		
<b>11.2.1</b> Commitments against irrevocable letters of credit outstanding at the period-end were for Rs.410.567 million (June 30, 2024: Rs.303.939 million).		
<b>11.2.2</b> The Company had entered into Ijarah arrangements for ten (June 30, 2024: twelve) vehicles with First Habib Modaraba. Aggregate commitments for rentals under Ijarah arrangements at the reporting dates were as follows:		
Not later than one year	12,600	20,711
Later than one year but not later than five years	17,586	34,507
	<b>30,186</b>	<b>55,218</b>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

### 12. Sales - net

12.1 Details of the Company's revenues from contracts with customers are as follows:

	Quarter ended		Six months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousand)			
<b>Own manufactured goods:</b>				
- yarn	2,168,564	2,034,827	4,018,419	3,653,342
- waste	8,695	9,738	18,777	25,015
	2,177,259	2,044,565	4,037,196	3,678,357
<b>Trading activities:</b>				
raw materials	41,206	0	110,232	0
	2,218,465	2,044,565	4,147,428	3,678,357

12.2 All the contacts were with the local customers under one performance obligation and the revenue was recognised at the point in time when the goods were transferred to the customers.

### 13. TRANSACTIONS WITH RELATED PARTIES

13.1 Significant transactions executed with related parties during the period were as follows:

Relationship & Nature of transactions	Un-audited Six months period ended, December 31,	
	2024	2023
	(Rupees in thousand)	
<b>i) Associated Companies</b>		
- sale of raw materials and goods	81,450	0
- purchase of fixed assets	350,858	0
- purchase of raw materials	34,998	0
- donations paid	3,000	3,320
<b>ii) Related party</b>		
- gas purchased	583,142	194,565
<b>iii) Key management personnel</b>		
- remuneration and other benefits	22,152	20,453
	Un-audited December 31, 2024	Audited June 30, 2024
	--- Rupees in '000 ---	
13.2 Period / year end trade and other payables balances included due to an Associated Company	35,858	2,709
Period / year end accrued expenses included due to a related party on account of gas bills payable	96,089	96,943

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

### 14. Financial risk management

#### 14.1 Financial risk factors

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

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2024.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2024.

#### 14.2 Fair value estimation

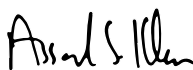
During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

### 15. Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the Company for the year ended June 30, 2024, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

### 16. Date of authorisation for issue

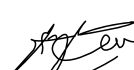
These interim financial statements were authorised for issue on February 25, 2025 by the Board of Directors of the Company.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer





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