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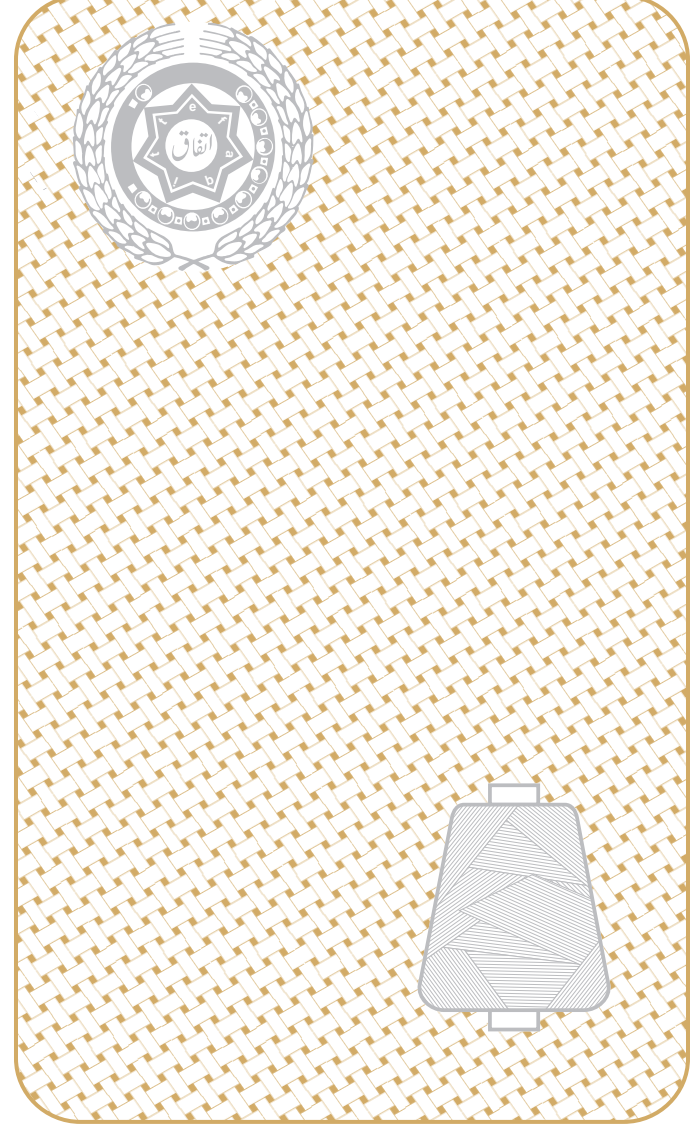
TO,

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Khalid Siraj Textile Mills Limited

467-M Block, Model Town Extension, Lahore.
Tel: 042-35201981-86, Fax: 042-35201500

**(UN-AUDITED)
QUARTERLY REPORT
30 SEPTEMBER 2013**



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED
COMPANY INFORMATION

Chief Executive	-	Mian Tayyab Iqbal
Directors	-	Mian Tahir Iqbal
	-	Miss. Rabia Iqbal
	-	Mrs. Tayyaba Waseem
	-	Mrs. Rukhsana Arif
	-	Kh. Iftikhar-ud-Din
	-	Mr. Muhammad Asif (NIT Nominee)
Audit Committee Chairman Members	-	Miss. Rabia Iqbal
	-	Mrs. Tayyaba Waseem
	-	Mrs. Rukhsana Arif
HR Committee Chairman Members	-	Mian Tahir Iqbal
	-	Miss. Rabia Iqbal
	-	Mrs. Tayyaba Waseem
Company Secretary	-	Haji Tariq Samad
Internal Auditor	-	Mr. Muhammad Naeem Wazir
Auditors	-	Kamran & Co. Chartered Accountants A/2, Ingola Appartments, 24-Jail Road, Lahore.
Legal Advisor	-	Mr. Majid Ali Rana (Advocate)
Share Registrar	-	M/s. Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Fax: 042-35869037
Registered Office	-	467-M Block, Model Town Extension, Lahore.
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

KHALID SIRAJ TEXTILE MILLS LIMITED
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2013

DIRECTORS' REVIEW:

During the quarter under review, the company has loss before tax of Rs. 23.534 million. The loss is mainly caused by high cotton rates and exorbitant cost of production. The loss, during the quarter, would have been less but charging of depreciation on revalued fixed assets amounting to Rs. 5.124 million increased the gross loss to Rs. 17.490 million for the quarter.

FUTURE PROSPECTS:

The initial cotton prices are higher as compared to the last quarter mainly due to short crop size of cotton. Your directors are, however trying their best to improve the situation through better production and marketing strategies. In this scenario, your Directors are not expecting any substantial improvement in the results of the company in the coming months.

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED FINANCIAL INFORMATION (Un-Audited)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2013

1 STATUS AND ACTIVITIES

The Company was incorporated in Pakistan on January 17, 1988 as Public Limited Company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacturing and sale of cotton yarn. The registered office of the Company is situated at 467-M Block, Model Town Extension, Lahore.

2 BASIS OF MEASUREMENT

This condensed financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2013.

	(Un-audited) September 30, 2013	(Audited) June 30, 2013
	<u>(Rupees)</u>	
4 SHARE CAPITAL		
4.01 Authorised capital		
Ordinary shares of Rs. 10/- each	120,000,000	120,000,000
4.02 Issued, subscribed and paid up capital:		
Ordinary shares of Rs. 10/- each		
- fully paid in cash	100,000,000	100,000,000
- fully paid as bonus shares	7,000,000	7,000,000
	<u>107,000,000</u>	<u>107,000,000</u>
5 NON-CURRENT LIABILITIES		
Sponsors' loan	30,400,000	30,400,000
5.01 Sponsors' unclaimed dividend	24,058,182	24,058,182
5.02 Due to ex-associated undertakings	32,329,798	32,329,798
From ex-directors	106,902,122	107,000,000
	<u>193,690,102</u>	<u>193,787,980</u>
5.01 Sponsors' unclaimed dividend		
This amount is related to sponsors of the company and this matter is also subjudice before the Honourable High Court, Lahore along with the case of sponsors loan.		
5.02 Due to ex-associated undertakings		
This amount includes principal amount of Rs. 13,440,113 (June 30, 2013: 13,440,113) and mark up payables of Rs. 18,889,685 (June 30, 2013: Rs.18,889,685) on unsecured loans of various companies which were previously associated undertakings but have now been allocated by the Honourable Lahore High Court to other families of ex- Ittefaq Group. However the matter is still under litigation.		
6 SHORT TERM BORROWINGS		
Cash finance/overdraft	79,196,223	63,786,334
Finance against trust receipts	7,500,000	7,500,000
	<u>86,696,223</u>	<u>71,286,334</u>
7 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	326,386,507	349,924,018
Addition during the period		
Factory Building	819,840	1,816,357
Plant and machinery	-	6,045,898
Electric installation	-	915,886
Furniture and fittings	-	1,287,281
	819,840	10,065,422
Less:		
Book value of assets disposed off during the period	-	2,710,563
Depreciation for the period	7,310,576	30,892,369
	<u>7,310,576</u>	<u>33,602,932</u>
Closing book value	<u>319,895,772</u>	<u>326,386,507</u>
8 AUTHORIZATION FOR ISSUE		
This condensed financial information was approved by the Board of Directors and authorised for issue on October 29, 2013.		
9 CORRESPONDING FIGURES		
9.01 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.		
9.02 Figures have been rounded off to nearest rupee.		

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Share capital	Accumulated loss	Total Equity
	(Rupees)		
Balance as at June 30, 2012	107,000,000	(174,628,294)	(67,628,294)
Total comprehensive loss for the three-months period ended September 30, 2012	-	(13,420,845)	(13,420,845)
Incremental depreciation on revaluation of property, plant and equipment for the year (net of deferred taxation)	-	3,785,034	3,785,034
Balance as at September 30, 2012	107,000,000	(184,264,105)	(77,264,105)
Balance as at June 30, 2013	107,000,000	(204,743,080)	(97,743,080)
Total comprehensive loss for the three-months period ended September 30, 2013	-	(25,812,218)	(25,812,218)
Incremental depreciation on revaluation of property, plant and equipment for the year (net of deferred taxation)	-	3,330,286	3,330,286
Balance as at September 30, 2013	107,000,000	(227,225,012)	(120,225,012)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2013

	Notes	Un-Audited September 30, 2013	Audited June 30, 2013
		(Rupees)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	4	107,000,000	107,000,000
Accumulated loss		(227,225,012)	(204,743,080)
		(120,225,012)	(97,743,080)
Surplus on revaluation of property, plant and equipment		160,539,696	163,869,982
Non-current liabilities			
Long-term finances	5	193,690,102	193,787,980
Deferred liabilities		20,101,733	21,436,083
		213,791,835	215,224,063
Current liabilities			
Trade and other payables		138,661,658	146,959,216
Mark-up accrued on borrowings		9,683,383	7,461,811
Short-term borrowings	6	86,696,223	71,286,334
Current portion of long-term finances		-	4,602,122
		235,041,264	230,309,483
Contingencies and commitments		-	-
		489,147,784	511,660,448
ASSETS			
Non-current assets			
Property, plant and equipment	7	319,895,772	326,386,507
Long-term deposits		2,001,000	1,941,000
Long-term advances		15,650,727	15,650,727
		337,547,499	343,978,234
Current assets			
Stores, spares parts and loose tools		38,396,300	36,159,325
Stock in trade		50,838,671	69,964,550
Trade debts		9,495,150	9,324,768
Loans and advances		631,860	667,993
Trade deposits and short-term prepayments		1,279,549	882,815
Balance due from government		47,795,557	44,633,050
Cash and bank balances		3,163,198	6,049,713
		151,600,285	167,682,214
		489,147,784	511,660,448

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

CONDENSED PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Three-Months Period Ended	
	September 30, 2013	September 30, 2012
	(Rupees)	
Sales (net)	227,274,695	251,214,332
Cost of sales	244,765,194	255,468,142
Gross loss	(17,490,499)	(4,253,810)
Distribution and marketing cost	423,528	455,686
Administrative and general expenses	3,250,235	3,312,161
	3,673,763	3,767,847
	(21,164,262)	(8,021,657)
Finance cost	2,369,843	4,141,368
Loss before taxation	(23,534,105)	(12,163,025)
Taxation	2,278,113	1,257,820
Loss after taxation	(25,812,218)	(13,420,845)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(25,812,218)	(13,420,845)
Earning per share (basic and anti-dilutive)	(2.41)	(1.25)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

CONDENSED CASH FLOW STATEMENT (Un-Audited)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Three-Months Period Ended	
	September 30, 2013	September 30, 2012
	(Rupees)	
A Cash flow from operating activities		
Loss before taxation	(23,534,105)	(12,163,025)
Add/(Less): Adjustment for non-cash items:		
Depreciation on property, plant and equipment	7,310,576	8,033,721
Provision for employee retirement benefits	-	900,000
Finance cost	2,369,843	4,141,368
	9,680,419	13,075,089
Operating profit before working capital changes	(13,853,686)	912,064
Working capital changes		
(Increase)/Decrease in current assets		
Stores, spare parts and loose tools	(2,236,975)	382,542
Stock in trade	19,125,879	(60,423,800)
Trade debts	(170,382)	(9,752,838)
Loans and advances	36,133	(100,000)
Trade deposits and short-term prepayments	(396,734)	(3,746,255)
Balance due from government	(765,629)	(809,329)
Increase/(Decrease) in trade and other payables	(8,297,558)	16,512,110
	7,294,734	(57,937,570)
Net cash generated from operations	(6,558,952)	(57,025,506)
Income tax paid	(4,674,990)	(904,422)
Employee retirement benefits paid	(1,334,350)	(494,865)
Finance cost paid	(148,271)	(4,624,372)
	(6,157,611)	(6,023,659)
Net cash generated from / (used in) operating activities	(12,716,563)	(63,049,165)
B Cash flow from investing activities		
Fixed capital expenditure	(819,840)	-
(Increase)/decrease in Long term deposits	(60,000)	-
Net cash used in investing activities	(879,840)	-
C Cash flows from financing activities		
Repayment (net) of long-term finances	(4,700,000)	20,991,204
(Repayment)/Proceeds (net) of Short term borrowings	15,409,889	42,468,953
Net cash out flow from financing activities	10,709,889	63,460,157
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,886,514)	410,992
Cash and cash equivalents at the beginning of the period	6,049,713	3,845,355
Cash and cash equivalents at the end of the period	3,163,198	4,256,347

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR