

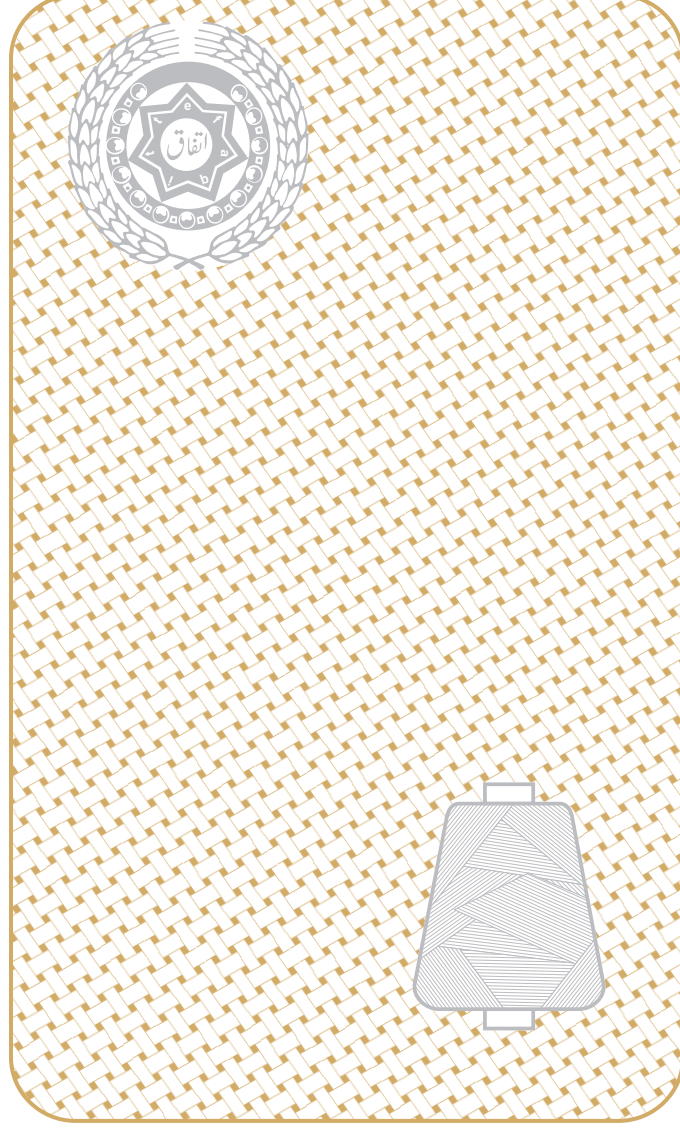
**BOOK POST U.P.C.**

TO,

**Khalid Siraj Textile Mills Limited**

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

**UN-AUDITED  
QUARTERLY REPORT  
MARCH 31, 2013  
(3RD QUARTER)**



**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	-	Mian Tahir Iqbal
Members	-	Miss. Rabia Iqbal
	-	Mrs. Rukhsana Arif
Company Secretary	-	Haji Tariq Samad
Auditors	-	Kaleem & Company Chartered Accountants Apartment # 505, 5th Floor, Land Mark Plaza, 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 At	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

## KHALID SIRAJ TEXTILE MILLS LIMITED BRIEF FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2013

### DIRECTORS' REVIEW:

During the quarter under review, the Company suffered loss before tax of Rs. 12.646 million. The loss, during the quarter, would have been less but charging of depreciation on revalued fixed assets amounting to Rs. 5.648 million turned the gross profit into a gross loss of Rs. 3.859 million for the quarter.

### FUTURE PROSPECTS:

Management of the Company is taking steps to reduce the cost of production. We will be able to procure good quality cotton on suitable market rates. The management is doing its best to make the entity profitable.

CHIEF EXECUTIVE

DIRECTOR

# KHALID SIRAJ TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED FINANCIAL INFORMATION (Un-Audited) FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 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, 2012.

	(Un-audited) March 31, 2013	(Audited) June 30, 2012
	(Rupees)	
<b>4 SHARE CAPITAL</b>		
<b>4.01 Authorised share capital</b>		
12,000,000 (June 30, 2012: 12,000,000) ordinary shares of Rs. 10/- each.	120,000,000	120,000,000
<b>4.02 Issued, subscribed and paid up capital:</b>		
10,000,000 (June 30, 2012: 10,000,000) ordinary shares of Rs. 10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2012: 700,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares.	7,000,000	7,000,000
	<u>107,000,000</u>	<u>107,000,000</u>
<b>5 SPONSORS' LOAN</b>		
Sponsors	30,400,000	30,400,000
Ex-Directors	132,926,816	114,135,612
	<u>163,326,816</u>	<u>144,535,612</u>
<b>6 SPONSORS' UNCLAIMED DIVIDEND</b>		
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.		
<b>7 DUE TO EX. ASSOCIATED UNDERTAKINGS</b>		
This amount includes principal amount of Rs. 13,440,113 (June 30, 2012: 13,440,113) and mark up payables of Rs. 18,889,685 (June 30, 2012: 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.		
<b>8 SHORT TERM BANK BORROWINGS - SECURED</b>		
Cash finance/overdraft	165,419,127	95,179,352
	<u>165,419,127</u>	<u>95,179,352</u>
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	349,924,018	388,862,098
Addition during the period		
Plant and machinery	-	265,000
Furniture and fittings	1,096,350	61,500
Air conditioner	148,931	-
	1,245,281	326,500
Less:		
Book value of assets disposed off during the period	-	5,000,000
Factory Building	765,000	-
Depreciation for the period	24,048,772	34,264,580
	24,813,772	39,264,580
Closing book value	<u>326,355,527</u>	<u>349,924,018</u>
<b>10 AUTHORIZATION FOR ISSUE</b>		
This condensed financial information was approved by the Board of Directors and authorised for issue on April 24, 2013.		
<b>11 CORRESPONDING FIGURES</b>		
<b>11.01</b> Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.		
<b>11.02</b> Figures have been rounded off to nearest rupee.		

CHIEF EXECUTIVE

DIRECTOR

# KHALID SIRAJ TEXTILE MILLS LIMITED

## CONDENSED CASH FLOW STATEMENT (Un-Audited) FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2013

	Nine-Months Period Ended	
	March 31, 2013	March 31, 2012
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(28,334,172)	(32,042,189)
Adjustment for:		
Depreciation	24,048,773	26,548,294
Staff retirement benefits	2,400,000	620,714
(Gain)/loss on disposal of property, plant and equipment	765,000	562,500
Finance cost	14,235,506	10,674,779
	41,449,279	38,406,287
<b>Cash flows before working capital changes</b>	13,115,107	6,364,098
(Increase)/decrease in current assets		
Stores, spares and loose tools	4,814,566	809,756
Stock in trade	(27,994,952)	(88,473,203)
Trade debts	5,404,932	(16,142,899)
Loans and advances	(11,496)	49,841
Trade deposits and prepayments	(8,073,249)	(3,446,961)
Other receivables	(77,705,172)	(496,249)
Increase/(decrease) in current liabilities		
Trade and other payables	31,452,781	46,291,252
	(72,112,590)	(61,408,463)
<b>Cash (outflows)/inflows from operations</b>	(58,997,483)	(55,044,365)
Finance cost paid	(13,198,656)	(10,948,400)
Gratuity paid	(1,893,700)	(2,058,708)
Income tax paid	(9,259,973)	(1,531,675)
	(24,352,329)	(14,538,783)
<b>Net cash used in operating activities</b>	(83,349,812)	(69,583,148)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,245,281)	(61,500)
Capital work in progress	(447,360)	-
Long term deposits	(5,000)	-
Proceeds from sale of assets	-	1,650,000
<b>Net cash used in investing activities</b>	(1,697,641)	1,588,500
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Sponsors' Loan	18,791,204	(12,536,750)
Short term borrowings - net	70,239,775	80,221,336
<b>Net cash generated from financing activities</b>	89,030,979	67,684,586
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,983,525	(310,062)
<b>Cash and cash equivalents at the beginning of the period</b>	3,845,355	5,692,505
<b>Cash and cash equivalents at the end of the period</b>	7,828,880	5,382,443

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

CHIEF EXECUTIVE

DIRECTOR

# KHALID SIRAJ TEXTILE MILLS LIMITED

## CONDENSED BALANCE SHEET AS AT MARCH 31, 2013

	Notes	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees)	
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised share capital			
12,000,000 (June 30, 2012: 12,000,000) Ordinary shares of Rs.10 each	4.01	120,000,000	120,000,000
Issued, subscribed and paid-up capital	4.02	107,000,000	107,000,000
Accumulated losses		(189,727,850)	(174,628,294)
		(82,727,850)	(67,628,294)
<b>Surplus on revaluation of property, plant and equipment</b>		153,474,162	164,647,043
<b>Non-Current Liabilities</b>			
Sponsors' loan	5	163,326,816	144,535,612
Sponsors' unclaimed dividend	6	24,058,182	24,058,182
Due to ex-associated undertakings	7	32,329,798	32,329,798
Staff retirement benefits-gratuity		9,044,679	8,538,379
Deferred taxation-net		17,751,131	23,854,228
		246,510,606	233,316,199
<b>Current Liabilities</b>			
Trade and other payables		117,764,404	86,311,623
Accrued interest / markup payables		4,579,084	3,542,234
Short term bank borrowings	8	165,419,127	95,179,352
		287,762,615	185,033,209
<b>Contingencies and commitments</b>		-	-
		<b>605,019,533</b>	<b>515,368,157</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	326,355,527	349,924,018
Work in progress		447,360	-
Long term deposits		1,941,000	1,936,000
Due from ex-associated undertakings		15,650,727	15,650,727
		344,394,614	367,510,745
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		32,834,496	37,649,062
Stock in trade		87,047,890	59,052,938
Trade debts		3,114,104	8,519,036
Loans and advances		71,056	59,560
Trade deposits and short term prepayments		9,851,524	1,778,275
Other receivables		80,505,621	2,800,449
Tax refunds due from the government		39,371,348	34,152,737
Cash and bank balances		7,828,880	3,845,355
		260,624,919	147,857,412
		<b>605,019,533</b>	<b>515,368,157</b>

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

CHIEF EXECUTIVE

DIRECTOR

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED PROFIT AND LOSS ACCOUNT (Un-Audited)**  
**FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2013**

	Nine-Months Period Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees)		(Rupees)	
Sales -Net	807,304,137	572,610,786	252,500,915	253,149,821
Cost of sales	810,450,974	583,397,290	256,360,023	252,043,785
Gross Profit/(loss)	(3,146,837)	(10,786,504)	(3,859,108)	1,106,036
Operating expenses:				
Selling & distribution expenses	1,246,093	1,382,925	423,109	477,954
Administrative expenses	9,705,736	9,197,981	3,614,061	2,689,992
	10,951,829	10,580,906	4,037,170	3,167,946
Operating Profit/(loss)	(14,098,666)	(21,367,410)	(7,896,278)	(2,061,910)
Finance cost	14,235,506	10,674,779	4,749,618	4,923,328
Profit/(loss) before taxation	(28,334,172)	(32,042,189)	(12,645,896)	(6,985,238)
Provision for taxation				
Taxation	(2,061,735)	(692,403)	(3,161,888)	2,542,706
Profit/(loss) after taxation	(26,272,437)	(31,349,786)	(9,484,008)	(9,527,944)
<b>Earning per share-basic</b>	<b>(2.46)</b>	<b>(2.93)</b>	<b>(0.89)</b>	<b>(0.89)</b>

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

CHIEF EXECUTIVE

DIRECTOR

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)**  
**FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2013**

	Nine-Months Period Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees)		(Rupees)	
Profit/(loss) after taxation	(26,272,437)	(31,349,786)	(9,484,008)	(9,527,944)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation-net of deferred tax	11,172,881	14,499,298	3,785,034	6,304,043
Total comprehensive income/(loss) for the period	(15,099,556)	(16,850,488)	(5,698,974)	(3,223,901)

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

CHIEF EXECUTIVE

DIRECTOR

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY (Un-Audited)**  
**FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2013**

	Issued, subscribed and paid-up	Accumulated loss	Total
	(Rupees)		
<b>Balance as at June 30, 2011</b>	107,000,000	(147,700,267)	(40,700,267)
Total comprehensive income/(loss) for the period	-	(16,850,488)	(16,850,488)
<b>Balance as at March 31, 2012</b>	107,000,000	(164,550,755)	(57,550,755)
Total comprehensive income/(loss) for the period	-	(10,077,539)	(10,077,539)
<b>Balance as at June 30, 2012</b>	107,000,000	(174,628,294)	(67,628,294)
Total comprehensive income/(loss) for the period	-	(15,099,556)	(15,099,556)
<b>Balance as at March 31, 2013</b>	107,000,000	(189,727,850)	(82,727,850)

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

CHIEF EXECUTIVE

DIRECTOR