

KHALID SIRAJ TEXTILE MILLS LIMITED
COMPANY INFORMATION

Chief Executive Officer	-	Mian Tayyab Iqbal
Directors	-	Mian Tahir Iqbal
	-	Mrs. Rabia Fahad
	-	Mrs. Tayyaba Waseem
	-	Mrs. Rukhsana Arif
	-	Kh. Iftikhar-ud-Din
	-	Mr. Muhammad Asif (NIT Nominee)
Audit Committee		
Chairman	-	Mrs. Rabia Fahad
Members	-	Mrs. Tayyaba Waseem
	-	Mrs. Rukhsana Arif
HR Committee		
Chairman	-	Mian Tahir Iqbal
Members	-	Mrs. Rabia Fahad
	-	Mrs. Tayyaba Waseem
Company Secretary	-	Haji Tariq Samad
Auditors	-	Kamran & Co. Chartered Accountants A/2, Ingola Appartments, 24-Jail Road, Lahore.
Internal Auditor	-	Mr. Muhammad Naeem Wazir
Legal Advisor	-	Mr. Majid Ali Rana (Advocate)
Share Registrar	-	M/s. Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Ph: 042-35916714, Fax: 042-35869037
Registered Office	-	467-M Block, Model Town Extension, Lahore.
Website Address	-	www.kstml.com
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

KHALID SIRAJ TEXTILE MILLS LIMITED
BRIEF FOR THE QUARTER ENDED SEPTEMBER 30, 2014

DIRECTORS' REVIEW:

For the quarter under review, the company suffered loss before tax of Rs. 10.702 million. The loss, during the quarter, would have been less but charging of depreciation on revalued fixed assets amounting to Rs. 4.620 million increased the gross loss to Rs. 6.909 million for the quarter.

FUTURE PROSPECTS:

The Management of the company is taking steps to restart the operation of the mills. For this purpose, the directors of the company are making strong efforts to arrange funds in the near future.

CHIEF EXECUTIVE OFFICER

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	Notes	Un-Audited September 30, 2014	Audited June 30, 2014
EQUITY AND LIABILITIES			
(Rupees)			
Share capital and reserves			
Authorised capital	4.01	<u>120,000,000</u>	<u>120,000,000</u>
Share capital	4.02	<u>107,000,000</u>	<u>107,000,000</u>
Accumulated loss		<u>(257,975,254)</u>	<u>(250,276,181)</u>
		<u>(150,975,254)</u>	<u>(143,276,181)</u>
Surplus on revaluation of property, plant and equipment		147,546,113	150,548,837
Non-current liabilities			
Long-term finances	5	<u>219,487,980</u>	<u>218,087,980</u>
Deferred liabilities		<u>11,581,929</u>	<u>11,605,257</u>
		<u>231,069,909</u>	<u>229,693,237</u>
Current liabilities			
Trade and other payables		<u>108,503,595</u>	<u>128,739,237</u>
Mark-up accrued on borrowings		<u>10,571,269</u>	<u>8,417,976</u>
Short-term borrowings	6	<u>91,614,907</u>	<u>71,246,634</u>
Current portion of long-term financing		<u>6,102,122</u>	<u>6,102,122</u>
		<u>216,791,893</u>	<u>214,505,969</u>
Contingencies and commitments		-	-
		<u>444,432,661</u>	<u>451,471,862</u>
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>291,322,688</u>	<u>297,917,526</u>
Long-term deposits		<u>2,001,000</u>	<u>2,001,000</u>
Long-term advances		<u>15,650,727</u>	<u>15,650,727</u>
		<u>308,974,415</u>	<u>315,569,253</u>
Current assets			
Stores, spare parts and loose tools		<u>35,944,287</u>	<u>35,944,287</u>
Stock in trade		<u>42,578,038</u>	<u>42,578,038</u>
Trade debts		<u>1,093,865</u>	<u>1,093,865</u>
Loans and advances		<u>719,182</u>	<u>719,182</u>
Trade deposits and short-term prepayments		<u>591,601</u>	<u>766,650</u>
Balances due from government		<u>53,621,340</u>	<u>53,616,750</u>
Cash and bank balances		<u>909,933</u>	<u>1,183,837</u>
		<u>135,458,246</u>	<u>135,902,609</u>
		<u>444,432,661</u>	<u>451,471,862</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED PROFIT AND LOSS ACCOUNT /
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Three-Months Ended	
	September 30, 2014	September 30, 2013
	(Rupees)	
Sales (net)	-	227,274,695
Cost of sales	6,908,867	244,765,194
Gross Loss	(6,908,867)	(17,490,499)
Distribution and marketing cost	65,948	423,528
Administrative and general expenses	1,474,503	3,250,235
	1,540,451	3,673,763
	(8,449,318)	(21,164,262)
Finance cost	2,252,479	2,369,843
Loss before taxation	(10,701,797)	(23,534,105)
Taxation	-	2,278,113
Loss after taxation	(10,701,797)	(25,812,218)
Other comprehensive loss	-	-
Total comprehensive loss	(10,701,797)	(25,812,218)
Loss per share (basic and anti-dilutive)	(1.00)	(2.41)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Three-Months Ended	
	September 30, 2014	September 30, 2013
(R u p e e s)		
A Cash flow from operating activities		
Loss before taxation	(10,701,797)	(23,534,105)
Add / (Less) Adjustment for non-cash items:		
Depreciation on property, plant and equipment	6,594,838	7,310,576
Finance cost	2,252,479	2,369,843
	8,847,317	9,680,419
Operating loss before working capital changes	(1,854,480)	(13,853,686)
Working capital changes		
(Increase)/Decrease in current assets		
Stores, spare parts and loose tools	-	(2,236,975)
Stock in trade	-	19,125,879
Trade debts	-	(170,382)
Loans and advances	-	36,133
Trade deposits and short-term prepayments	175,049	(396,734)
Balances due from government	-	(765,629)
(Decrease) / Increase in trade and other payables	(20,235,642)	(8,297,558)
	(20,060,593)	7,294,734
Net cash (used in) / generated from operations	(21,915,073)	(6,558,952)
Income taxes paid	(4,590)	(4,674,990)
Employee retirement benefits paid	(23,328)	(1,334,350)
Finance cost paid	(99,186)	(148,271)
Net cash (used in) / generated from operating activities	(22,042,177)	(12,716,563)
B Cash flow from investing activities		
Fixed capital expenditure	-	(819,840)
(Increase)/Decrease in long-term deposits	-	(60,000)
Net cash out flow in investing activities	-	(879,840)
C Cash flow from financing activities		
Proceeds from / (Repayments of) long-term finances - net	1,400,000	(4,700,000)
Repayment of short-term borrowings	20,368,273	15,409,889
Net cash from financing activities	21,768,273	10,709,889
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(273,904)	(2,886,514)
Cash and cash equivalents at beginning of the period	1,183,837	6,049,713
Cash and cash equivalents at end of the period	909,933	3,163,199

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Share capital	Accumulated loss (Rupees)	Total Equity
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 period (net of deferred taxation)	-	3,330,286	3,330,286
Balance as at September 30, 2013	<u>107,000,000</u>	<u>(227,225,012)</u>	<u>(120,225,012)</u>
Balance as at June 30, 2014	107,000,000	(250,276,181)	(143,276,181)
Total comprehensive loss for the three-months period ended September 30, 2014	-	(10,701,797)	(10,701,797)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	3,002,724	3,002,724
Balance as at September 30, 2014	<u>107,000,000</u>	<u>(257,975,254)</u>	<u>(150,975,254)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014

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, 2014.

	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
	(Rupees)	
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		
- fully paid in cash	100,000,000	100,000,000
- fully paid as bonus shares	7,000,000	7,000,000
	107,000,000	107,000,000
5 LONG-TERM FINANCES		
5.01 Sponsors' loan	30,400,000	30,400,000
5.02 Sponsors' unclaimed dividends	24,058,182	24,058,182
5.03 Due to ex-associated undertakings	32,329,798	32,329,798
5.04 From ex-directors	132,700,000	131,300,000
	219,487,980	218,087,980

5.01 Sponsors' loan

These represent unsecured loan from sponsors of the Company. The terms repayment has not yet been decided so far. The above loan alongwith uncalled dividends is subjudice before the Honorable Lahore High Court, Lahore (also refer note 5.02).

5.02 Sponsors' unclaimed dividends

These represent uncalled dividends by sponsors of the Company. The above uncalled dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore (also refer note 5.01).

5.03 Previous associated undertakings

This represents unsecured loans from various Companies which were previously associated undertakings but now have been allocated by the Honorable Lahore High Court, Lahore to other families of ex-Ittefaq Group. The matter is still pending adjudication.

5.04 From ex-directors

Long-term loan	138,802,122	137,402,122
Less: Current portion	(6,102,122)	(6,102,122)
	132,700,000	131,300,000

6 SHORT TERM BORROWINGS

Cash finance/overdraft	84,114,907	63,746,634
Finance against trust receipts	7,500,000	7,500,000
	91,614,907	71,246,634

7 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	297,917,526	326,386,507
Addition during the period		
Plant and machinery	-	886,981
	-	886,981
Less:		
Book value of assets disposed off during the period	-	571,350
Depreciation for the period	6,594,838	28,784,611
	6,594,838	29,355,961
Closing book value	291,322,688	297,917,526

8 AUTHORIZATION FOR ISSUE

This condensed financial information was approved by the Board of Directors and authorised for issue on October 23, 2014.

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 OFFICER

DIRECTOR