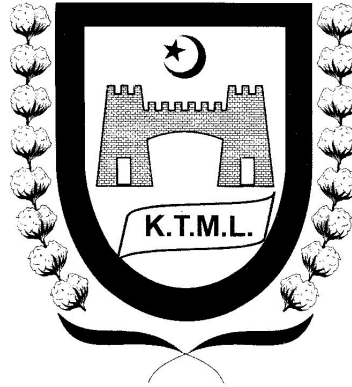


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## QUARTERLY ACCOUNTS



March 31, 2018

**KHYBER TEXTILE MILLS LTD.**

**BOOK POST**  
**PRINTED MATTER**



If undelivered please return to:

Baldher, District Haripur (Khyber Pakhtunkhwa)

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# ***Khyber Textile Mills Limited***

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## **COMPANY'S INFORMATION**

### **BOARD OF DIRECTORS**

Adam Jadoon  
Aurangzeb Khan  
Amanullah Khan  
Nasir Khan  
Mrs. Aamna Jadoon  
Omer Farid Jadoon  
Muhammad Bahauddin

### **COMPANY SECRETARY**

Sadaqat Khan

### **AUDITORS**

Tanwir Arif & Co.  
Chartered Accountants

### **REGISTERED OFFICE**

Khyber Textile Mills Ltd.  
Baldher, Distt. Haripur (Khyber Pakhtunkhwa)

### **MILLS**

Baldher, District Haripur  
Khyber Pakhtunkhwa

## **DIRECTOR'S REPORT**

The Directors of your Company are placing before you the Quarterly Accounts of KTML for the period ended 31<sup>st</sup> March 2018. Due to the on-going High Court litigation our Company is facing a complete restriction on access to credit by the banks. As a result of these discriminatory methods by the financial institutions, KTML has been unable to restart textile production; therefore production remained closed during the period under review. However, KTML's Management is pleased to report that there were significant revenue generation activities on the Company's premises primarily through rental income and livestock sales.

The Board of Directors reviewed the closure of the production facilities at the Mill. They also discussed the on going Court Litigation, the restrictions on access to credit and the possible measures to be taken to overcome the litigation. In addition, they discussed the constraints caused by the constant electrical load shedding in the Mill's locality, the ban on installation of industrial gas meters and the requirements of resuming textile production activities.

As per the BODs instructions and approval, we are pleased to report that the Company has initiated steps to secure other sources of legitimate revenue within its limited resources as a substitute measure in order to maintain the Company, its assets and reinstate business activity on the Mill's premises. Management has been successful in renting its excess buildings as a storage facility to reputable organizations and distributors of packaged food, milk and bottled water. With this stream of funding KTML has embarked upon the repair and maintenance of its excess warehouses & buildings in order to generate additional rental income. Furthermore, KTML has made an investment in a Livestock Farm for the purchase & sale of cattle on its excess land. Management has also repurposed the majority of its agricultural land in order to grow fodder for the livestock and has planted high yield olive trees thereby utilizing all excess areas separate from the textile unit, for alternative business activity.

**For & on behalf of  
Board of Directors**

Baldher, Haripur.  
Dated: 20th April, 2018

**Chief Executive**

**STATEMENT OF INTERIM FINANCIAL POSITION**  
**As at March 31, 2018**

|  | Mar, 2018    | June, 2017   |                                | Mar, 2018   | June, 2017  |
|--|--------------|--------------|--------------------------------|-------------|-------------|
| Notes                                  | (Rupees)     |              | Notes                          | (Rupees)    |             |
| <b>CAPITAL AND LIABILITIES</b>         |              |              | <b>PROPERTY &amp; ASSETS</b>   |             |             |
| <b>SHARE CAPITAL &amp; RESERVE</b>     |              |              | <b>NON CURRENT ASSETS</b>      |             |             |
| <b>SHARE CAPITAL</b>                   |              |              | <b>FIXED ASSETS - Tangible</b> |             |             |
| Authorised:                            |              |              | Property, Plant & Equipment    | 430,749,896 | 438,544,098 |
| 1,500,000 Ordinary Shares of           | 15,000,000   | 15,000,000   | at Written Down Value          |             |             |
| Rs. 10/- each                          |              |              |                                |             |             |
| Issued:                                |              |              | <b>LONG TERM DEPOSITS</b>      | 88,983      | 88,983      |
| 1,298,543 Ordinary Shares of           | 12,985,430   | 12,985,430   |                                | 430,838,879 | 438,633,081 |
| Rs. 10/- each                          |              |              |                                |             |             |
| Subscribed & paid-up                   | 12,275,030   | 12,275,030   |                                |             |             |
| <b>RESERVE</b>                         |              |              | <b>CURRENT ASSETS</b>          |             |             |
| Capital - Statutory Reserve            | 257,782      | 257,782      | Livestock                      | 2,714,580   | 2,168,908   |
| U/s 15-BB                              | 12,532,812   | 12,532,812   | Animal food, bhosa & daana     | 55,200      | 40,040      |
| Unappropriated Profit / Loss           | (30,321,184) | (34,957,302) | Stores & Spares                | -           | -           |
| Shareholders' Equity                   | (17,788,372) | (22,424,490) | Taxes Refundable               | 1,658,900   | 860,247     |
| Surplus On Revaluation of              |              |              | Cash and Bank Balances         | 593,849     | 275,644     |
| Fixed Assets                           | 348,990,201  | 355,391,435  |                                | 5,022,529   | 3,344,839   |
| <b>NON CURRENT LIABILITIES</b>         |              |              |                                |             |             |
| Deferred Tax Liability                 | 35,863,032   | 39,042,849   |                                |             |             |
| Long Term Loan                         | 28,500,475   | 28,500,475   |                                |             |             |
| <b>CURRENT LIABILITIES</b>             |              |              |                                |             |             |
| Trade & Others Payable                 | 40,296,072   | 40,494,772   |                                |             |             |
| Provision for taxation                 | -            | 972,879      |                                |             |             |
|  | 40,296,072   | 41,467,651   |                                |             |             |
| <b>CONTINGENCIES &amp; COMMITMENTS</b> |              |              |                                |             |             |
| 3                                      | -            | -            |                                |             |             |
|  | 435,861,408  | 441,977,920  |                                | 435,861,408 | 441,977,920 |

The annexed notes from 1 to 7 form an integral part of these financial statements.

**Khyber T**  
Chief Executive

**Chief Financial Officer**

**Director**

**STATEMENT OF INTERIM COMPREHENSIVE INCOME**  
**For the Quarter Ended March 31, 2018**

| Notes                                   | Nine Months Ended March, 31 |             | Quarter Ended March 31 |             |
|---|-----------------------------|-------------|------------------------|-------------|
|   | 2018                        | 2017        | 2018                   | 2017        |
|   | (Rupees)                    |             | (Rupees)               |             |
| Sales (Net)                             | 1,010,000                   | -           | 360,000                | -           |
| Cost of Sales                           | 747,878                     | -           | 276,000                | -           |
| Gross Loss                              | 262,122                     | -           | 84,000                 | -           |
| Operating Expenses:                     |                             |             |                        |             |
| Administrative                          | 10,312,051                  | 2,123,828   | 3,426,760              | 1,033,570   |
| Operating Loss                          | (10,049,929)                | (2,123,828) | (3,342,760)            | (1,033,570) |
| Other Income/Rent                       | 4,909,730                   | 2,680,051   | 1,796,750              | 1,163,976   |
| Finance Cost                            | 8,090                       | 9,332       | 3,285                  | 5,691       |
| Profit/(Loss) Before Tax                | (5,148,289)                 | (546,891)   | (1,549,295)            | 124,715     |
| Provision for Taxation-Deferred         | (3,179,817)                 | -           | (640,124)              | -           |
| Profit/(Loss) After Tax                 | (1,968,472)                 | 546,891     | (909,171)              | 124,715     |
| Other Comprehensive Income/ (Loss)      |                             |             |                        |             |
| Depreciation relating to mills          | -                           | -           | -                      | -           |
| Income form Agriculture                 | 203,356                     | 302,500     | 45,000                 | 24,500      |
|   | 203,356                     | 302,500     | 45,000                 | 24,500      |
| Total Comprehensive Loss for the period | (1,765,116)                 | 849,391     | (864,171)              | 149,215     |
| (Loss) per share                        | (1.44)                      | (0.69)      | (0.70)                 | (0.12)      |

The annexed notes from 1 to 7 form an integral part of these financial statements.

**Khyber T**  
Chief Executive

**Chief Financial Officer**

  
Director

**STATEMENT OF INTERIM CASH FLOWS**  
**For the Quarter Ended March 31, 2018**

|   | Mar, 2018                    | Mar, 2017                    |
|---|------------------------------|------------------------------|
|   | <b>(Rupees)</b>              |                              |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                              |                              |
| (Loss) after tax  | (1,765,116)                  | 849,391                      |
| <b>Adjustment of Non Fund Items:</b>                        |                              |                              |
| Provision for Taxation- Deferred                            | (3,179,817)                  | -                            |
| Depreciation  | 7,794,202                    | -                            |
|   | <u>4,614,385</u>             | <u>-</u>                     |
|   | <b>2,849,269</b>             | <b>849,391</b>               |
| <b>(Increase)/Decrease in Current Assets</b>                |                              |                              |
| Live Stock  | (545,672)                    | (603,100)                    |
| Animal food bhosa & daana                                   | (15,160)                     | -                            |
|   | <b>(560,832)</b>             | <b>(603,100)</b>             |
| <b>Increase/(Decrease) in Current Liabilities</b>           |                              |                              |
| Trade & Other Payabale                                      | (198,700)                    | 173,900                      |
|   | <b>(198,700)</b>             | <b>(173,900)</b>             |
|   | <b>(759,532)</b>             | <b>(429,200)</b>             |
| <br>Cash generated from operations                          | <b>2,089,737</b>             | <b>420,191</b>               |
| Taxes paid  | <b>(1,771,532)</b>           | <b>(618,784)</b>             |
|   | <u><b>318,205</b></u>        | <u><b>(198,593)</b></u>      |
| <br><b>CASH OUT FLOW FROM FINANCING ACTIVITIES</b>          |                              |                              |
| Sunday Income Received                                      | -                            | (302,500)                    |
| Long Term Loan  | -                            | -                            |
|   | <u><b>318,205</b></u>        | <u><b>103,907</b></u>        |
| Net (Decrease) Increase in Cash                             | <b>318,205</b>               | <b>103,907</b>               |
| Cash and Cash Equivalents<br>at the beginning of the period | <b>275,644</b>               | <b>105,429</b>               |
| Cash and Cash Equivalents as at 31st Dec. 2017              | <u><u><b>593,849</b></u></u> | <u><u><b>209,336</b></u></u> |

**Khyber T**  
Chief Executive

**Chief Financial Officer**

  
Director

**STATEMENT OF INTERIM CHANGES IN EQUITY**  
**For the Quarter Ended March 31, 2018**

|  | Share<br>Capital   | Capital<br>Reserve | Unappropriated<br>Profit & Loss | Total               |
|--|--------------------|--------------------|---------------------------------|---------------------|
|  | (.....Rupees.....) |                    |                                 |                     |
| Balance as on June 30, 2016  | 12,275,030         | 257,782            | (38,518,895)                    | (25,986,083)        |
| Total comprehensive loss<br>for the period   | —                  | —                  | 849,391                         | 849,391             |
| Transferred from surplus on revaluation of<br>fixed assets on account of incremental<br>depreciation, net of deferred tax. |                    |                    | -                               | -                   |
| <b>Balance as on March 31, 2017</b>  | <b>12,275,030</b>  | <b>257,782</b>     | <b>(37,669,504)</b>             | <b>(25,136,692)</b> |
| Balance as on June 30, 2017  | 12,275,030         | 257,782            | (34,957,302)                    | (22,424,490)        |
| Total comprehensive loss for the period  | —                  | —                  | (1,765,116)                     | (1,765,116)         |
| Transferred from surplus on revaluation of<br>fixed assets on account of incremental<br>depreciation, net of deferred tax. |                    |                    | 6,401,234                       | 6,401,234           |
| <b>Balance as on March 31, 2018</b>  | <b>12,275,030</b>  | <b>257,782</b>     | <b>(30,321,184)</b>             | <b>(17,788,372)</b> |

*The annexed notes from 1 to 7 form an integral part of these financial statements.*

**Khyber Te**  
Chief Executive

**Chief Financial Officer**

  
Director

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
For the Nine Months Ended March 31, 2018****1 STATUS AND NATURE OF BUSINESS**

Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August, 1961 under the Companies Act, 1913 (Now the Companies Ordinance, 1984). Its shares are quoted on Pakistan Stock Exchange Limited. The principal activities of the company was manufacturing and sale of yarn, however due to external factors production has been halted. The registered office of the Company is situated at Baldher, District Haripur, Khyber Pakhtunkhawa.

**2 BASIS FOR PREPARATION OF ACCOUNTS**

- 2.1** This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.
- 2.2** These interim financial statements have been prepared on the basis of historical cost convention.
- 2.3** Related parties transactions during the period were same as were disclosed in the proceeding annual audited financial statements.
- 2.4** The accounting policies and methods of computation adopted in the preparation of annual financial statements for the preceding year ended June 30, 2017 have been consistently applied in the preparation of these interim financial statements.
- 2.5** The company's financial risk objectives and policies are consistent with those disclosed in the preceding annual financial statements for the year ended June 30, 2017.



Mar 31, 2018

Jun 30, 2017

**(Rupees)****3 CONTINGENCIES & COMMITMENTS**

Contingencies reported in the preceding annual financial statements remain un-changed.

**4 Stores & Spares**

-

-

**5 Cash & Bank Balances**

Cash in hand

337,245

28,168

Cash at bank-Current Account

256,604

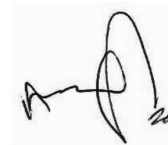
247,476

**591,849****275,644****6 DATE OF AUTHORIZATION**

These interim financial statements were authorised for issue on April 20, 2018 by the Board of Director of the Company.

**7 General**

Figures in these financial statements have been shown as full.

**er Textile M****Chief Executive****Director**