

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	Un-Audited 31/Dec/2021 Rupees	Audited 30/ Jun/2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 12,000,000 (30 June 2021: 12,000,000) ordinary shares of Rs. 10 each		120,000,000	120,000,000
Share capital	5	107,000,000	107,000,000
Accumulated loss		(419,282,278)	(427,555,821)
Surplus on revaluation of property, plant and equipment		266,815,862	275,620,739
		(45,466,416)	(44,935,082)
<b>Non-current liabilities</b>			
Long term finances	6	196,250,153	197,976,673
Long term Security deposits		44,300,000	36,000,000
Deferred liabilities		35,659,907	37,143,949
		276,210,060	271,120,622
<b>Current liabilities</b>			
Trade and other payables		58,720,397	69,660,413
Unclaimed dividend	7	24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Income tax liability		-	1,019,303
Short term borrowings		73,386,605	70,918,307
		172,955,759	182,446,780
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-
		403,699,403	408,632,320
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	388,046,831	393,164,215
Long-term deposits		6,348,000	6,348,000
		394,394,831	399,512,215
<b>Current assets</b>			
Stores, spare parts and loose tools		7,147,495	7,147,495
Tax refunds due from government		1,024,367	831,077
Loans and advances		38,644	38,644
Trade deposits and short-term prepayments		507,100	507,100
Cash and bank balances		586,966	595,789
		9,304,572	9,120,105
		403,699,403	408,632,320

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Half year ended		Quarter ended	
	31/Dec/2021	31/Dec/2020	31/Dec/2021	31/Dec/2020
	Rupees		Rupees	
Other Income	13,800,000	-	7,200,000	-
Administrative and general expenses	(786,029)	(74,500)	(215,053)	(65,500)
Other operating expenses	(15,017,383)	(11,882,748)	(7,632,441)	(5,941,380)
	(15,803,412)	(11,957,248)	(7,847,494)	(6,006,880)
Finance cost	(11,963)	-	(10,707)	-
Loss before taxation	(2,015,375)	(11,957,248)	(658,201)	(6,006,880)
Taxation	(1,484,041)	2,814,852	(1,798,178)	1,407,426
Loss after taxation	(531,334)	(9,142,396)	(2,456,379)	(4,599,454)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	<b>(531,334)</b>	<b>(2,250,861)</b>	<b>(2,456,379)</b>	<b>(1,153,686)</b>
Loss per share - basic and diluted	(0.05)	(0.21)	(0.23)	(0.11)

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Share capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	-----Rupees-----			
Balance as at 30 June 2020	107,000,000	(457,438,275)	204,452,934	(145,985,341)
<i>Total comprehensive loss for the six months period ended 31 December 2020</i>				
Loss for the period	-	(9,142,396)		(9,142,396)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,891,534	(6,891,534)	-
Balance as at 31 December 2020	107,000,000	(459,689,137)	197,561,400	(155,127,737)
<i>Total comprehensive income for the six months period ended 30 June 2021</i>				
Total comprehensive income	-	24,805,820	85,386,835	110,192,655
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	7,327,496	(7,327,496)	-
Revaluation surplus on property, plant and equipment for the year (net of tax)			-	-
Balance as at 30 June 2021	107,000,000	(427,555,821)	275,620,739	(44,935,082)
<i>Total comprehensive income for the six months period ended 31 December 2021</i>				
Loss for the period	-	(531,334)		(531,334)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	-		-
	-	8,804,877	(8,804,877)	-
Balance as at 31 December 2021	<u>107,000,000</u>	<u>(419,282,278)</u>	<u>266,815,862</u>	<u>(45,466,416)</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	----- Six months ended -----	
	31/Dec/2021	31/Dec/2020
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,015,375)	(11,957,248)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	15,017,384	11,882,748
Finance cost	11,963	-
	15,029,347	11,882,748
Profit / (loss) before working capital changes	13,013,972	(74,500)
Working capital changes		
(Increase) in current assets	(193,290)	(400,000)
Decrease / (increase) in trade and other payables	(10,940,017)	339,500
	(11,133,307)	(60,500)
Cash generated from / (used in) operations	1,880,665	(135,000)
Income tax paid	(1,019,303)	-
Finance cost paid	(11,963)	-
<b>Net cash generated from / (used in) operating activities</b>	849,399	(135,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(9,900,000)	-
	-	-
<b>Net cash out flow from financing activities</b>	(9,900,000)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(1,726,520)	-
Proceeds of short term borrowings	2,468,298	-
Long term Security deposits	8,300,000	-
<b>Net cash in flow from financing activities</b>	9,041,778	-
<b>Net decrease in cash and cash equivalents</b>	(8,823)	(135,000)
Cash and cash equivalents at beginning of period	595,789	246,109
Cash and cash equivalents at end of period	586,966	111,109

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

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# KHALID SIRAJ TEXTILE MILLS LIMITED

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

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#### 1 STATUS AND ACTIVITIES

1.1 Khalid Siraj Textile Mills Limited (the "Company") was incorporated in Pakistan as a public limited company on 17 January 1988 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchange.

Registered office of the Company is situated at 135, Upper Mall, Lahore. The project of the Company is located at 48 KM, Lahore Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, District Kasur.

The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations.

#### 1.2 Going concern assumption

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company incurred a net loss for the period ended of Rs. 531,334 (Dec 2019: Rs. 2,250,861) resulting in accumulated losses at the end of the period of Rs. 419,282,278 (June 2020: Rs. 427,555,821 ). The Company's current liabilities exceed its current assets at reporting date by Rs. 163,651,187 (June 2020: Rs. 173,326,675).

The Company had ceased its operations since November 2013 due to working capital. However, subsequent to the balance sheet date, the management is taking steps to recommence operations and the Company is in negotiations with financial institutions / sponsors of the Company for borrowing of funds to manage working capital requirements. The Company managed its liquidity constraints largely thru financing from its sponsors. The Company's ability to continue as a going concern is dependent on continued financing from sponsors. Management's efforts for obtaining finances from financial institutions are not so far materIALIZED, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

#### 2 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2021.

#### 3 BASIS OF MEASUREMENT

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

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2021.

	<b>Un-Audited</b> <b>31/Dec/2021</b> <b>Rupees</b>	<b>Audited</b> <b>30/Jun/2021</b> <b>Rupees</b>
<b>5 SHARE CAPITAL</b>		
<b>Authorized capital</b>		
Ordinary shares of Rs. 10 each	<b>120,000,000</b>	120,000,000
<b>Issued, subscribed and paid-up share capital</b>		
10,000,000 (June 30, 2021: 10,000,000) ordinary shares of Rs 10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2021: 700,000) ordinary shares of Rs 10/- each fully paid as bonus shares	7,000,000	7,000,000
	<b>107,000,000</b>	<b>107,000,000</b>
<b>6 LONG TERM FINANCES</b>		
<i>From related parties (current and prior) - unsecured</i>		
Sponsors - note 6.1	30,400,000	30,400,000
Previous associated undertakings - note 6.2	19,641,787	19,641,787
Ex-directors	146,208,366	147,934,886
	<b>196,250,153</b>	<b>197,976,673</b>

**6.1 Loan from sponsors**

These represents unsecured loan from sponsors of the Company. The terms of repayment has not yet been decided so far. (also refer note 6.2)

**6.2 Previous associated undertakings**

This represents unsecured loans from various companies which were previously associated undertakings but had been allocated by the Honorable Lahore High Court, Lahore to other families of ex-Ittefaq group. This amount includes principal amount of Rs. 13.440 million (June 2020: Rs. 13.440 million) and mark-up accrued on said loans amounting to Rs. 18.890 million (June 2020: Rs. 18.890 million). Furtherance to same, the parties in dispute have entered into a settlement agreement dated 6 April 2014 which was accorded by Lahore High Court, Lahore in its order dated 16 April 2014. However, no steps had been taken by the parties to execute the settlement agreement till date.

**6.3** These represents unsecured and interest free loans from chief executive officer, directors and sponsors. The terms of repayment has not yet been decided so far, however, the directors and sponsors have given undertaking that they have no intention to demand such loan within period of next twelve months, as such the current maturity has not been presented.

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

6.4 These are classified as 'financial liabilities' under IFRS 9 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these long term loans have no fixed maturity date as discussed above, are carried at cost as their amortized cost is impracticable to determine.

	<b>Un-Audited</b>	<b>Audited</b>
	<b>31/Dec/2021</b>	<b>30/Jun/2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>7 UNCLAIMED DIVIDEND</b>		
Sponsors' uncalled dividends - note 7.1	<u>24,058,182</u>	<u>24,058,182</u>
7.1 These represents uncalled dividends by sponsors of the Company. The above uncalled dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore.		
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening WDV	393,164,215	1,160,025,589
Add: Addition during the period	9,900,000	-
Less: Depreciation	(15,017,384)	(766,861,374)
Book value as at period end	<u>388,046,831</u>	<u>393,164,215</u>

**9 AUTHORIZATION FOR ISSUE**

These financial statements have been approved by the board of directors of the Company and authorized for issue on \_\_\_\_\_.

**10 CORRESPONDING FIGURES**

10.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.

10.2 Figures have been rounded off to the nearest of rupees.

Chief Executive Officer

Director

Chief Financial Officer

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

**8 PROPERTY, PLANT AND EQUIPMENT**

**8.1 Reconciliation of carrying values at end of the period - 31 December 2021**

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION				BOOK VALUE	Annual rate of dep.
	As at 1/July/2021	Additions / (Disposals)	As at 31/Dec./2021	As at 1/July/2021	Adjustments in depreciation	Charge for the year	As at 31/Dec./2021	As at 31/Dec./2021	
----- Rupees -----									
% age									
Freehold land									
Cost	1,064,297	-	1,064,297	-	-	-	-	1,064,297	-
Revaluation	95,460,703	-	95,460,703	-	-	-	-	95,460,703	-
	96,525,000	-	96,525,000	-	-	-	-	96,525,000	
Factory building on freehold land									
Cost	34,577,413	-	34,577,413	29,640,170	-	246,862	29,887,032	4,690,381	10
Revaluation	194,932,641	-	194,932,641	100,303,996	-	4,731,432	105,035,428	89,897,213	10
	229,510,054	-	229,510,054	129,944,166	-	4,978,294	134,922,460	94,587,594	
Non-factory building on freehold land									
Cost	7,380,828	-	7,380,828	6,097,473	-	32,084	6,129,557	1,251,271	5
Revaluation	19,394,423	-	19,394,423	7,950,781	-	286,091	8,236,872	11,157,551	5
	26,775,251	-	26,775,251	14,048,254	-	318,175	14,366,429	12,408,822	
Plant and machinery									
Cost	320,871,940	9,900,000	330,771,940	287,407,351	-	2,168,229	289,575,580	41,196,360	10
Revaluation	415,366,439	-	415,366,439	273,553,337	-	7,090,655	280,643,992	134,722,447	10
	736,238,379	9,900,000	746,138,379	560,960,688	-	9,258,884	570,219,572	175,918,807	
Electric installations									
Cost	6,881,121	-	6,881,121	5,834,000	-	52,356	5,886,356	994,765	10
Revaluation	16,214,684	-	16,214,684	13,570,863	-	132,191	13,703,054	2,511,630	10
	23,095,805	-	23,095,805	19,404,863	-	184,547	19,589,410	3,506,395	
Laboratory equipment									
Cost	6,692,987	-	6,692,987	6,458,390	-	11,730	6,470,120	222,867	10
Revaluation	18,295,338	-	18,295,338	15,078,017	-	160,866	15,238,883	3,056,455	10
	24,988,325	-	24,988,325	21,536,407	-	172,596	21,709,003	3,279,322	
Tools and equipment	154,960	-	154,960	149,663	-	265	149,928	5,032	10
Concrete mixer	300,000	-	300,000	289,831	-	508	290,339	9,661	10
Weighing scales	233,200	-	233,200	224,628	-	429	225,057	8,143	10
Furniture and fixtures	7,609,088	-	7,609,088	6,326,176	-	64,146	6,390,322	1,218,766	10
Tube well	1,292,880	-	1,292,880	1,020,058	-	13,641	1,033,699	259,181	10
Arms and ammunition	27,350	-	27,350	25,160	-	110	25,270	2,080	10
Bicycles	11,880	-	11,880	11,805	-	8	11,813	67	20
Motor vehicles	13,263,417	-	13,263,417	12,919,675	-	25,781	12,945,456	317,961	15
<b>Total - 31/Dec/2021</b>	<b>1,160,025,589</b>	<b>9,900,000</b>	<b>1,169,925,589</b>	<b>766,861,374</b>	<b>-</b>	<b>15,017,384</b>	<b>781,878,758</b>	<b>388,046,831</b>	