

INTERIM FINANCIAL REPORT

For the Nine Months ended

March 31, 2022

KHALID SIRAJ

Textile Mills Limited



Contents

Company Information	1
Directors' Report.....	2
Directors' Report (Urdu)	3
Condensed Interim Statement of Financial Position	4
Condensed Interim Statement of Profit or Loss and other comprehensive Income	5
Condensed Interim Statement of Cash Flows	6
Condensed Interim Statement of Changes in Equity	7
Notes to the Condensed Interim Financial Information	8

Company Information

Chief Executive Officer	-	Mian Tayyab Iqbal
Directors	-	Mian Iqbal Barkat
	-	Mian Hassan Barkat
	-	Mian Tahir Iqbal
	-	Mrs. Abida Iqbal
	-	Mrs. Rafia Hassan
	-	Mr. Shahid Mehmood.
Audit Committee		
Chairman	-	Mr. Shahid Mehmood
Members	-	Mrs. Rafia Hassan.
	-	Mian Tahir Iqbal
HR Committee		
Chairman	-	Mr. Shahid Mehmood
Members	-	Mian Hassan Barkat
	-	Mrs. Abida Iqbal
Company Secretary	-	Haji Tariq Samad
Auditors	-	Kamran & Co. Chartered Accountants A/2, Ingola Apartments, 24-Jail Road, Lahore.
Bankers	-	National Bank of Pakistan Dubai Islamic Bank Pakistan Limited Habib Metropolitan Bank Limited Silk Bank Pakistan Ltd Meezan Bank Limited
Chief Financial Officer	-	Mr. Nabeel Ahmed
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	-	135-Upper Mall, Lahore.
Website Address	-	www.kstml.com
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

Directors' Report

Dear Shareholders

Assalam-o-Alaikum

The Board of Directors of your Company is pleased to present before you the Condensed Interim Financial Information (Un-Audited) for the Nine Months period ended on March 31, 2022. The Condensed interim financial Information has been prepared in compliance with IAS – 34 "Interim Financial Reporting" and the Companies Act, 2017.

Financial Highlights

(Rupees in million)

	Nine Months ended March 31, 2022	Nine Months ended March 31, 2021	Quarter ended March 31, 2022	Quarter ended March 31, 2021
– Other Income	20.700	-	6.900	-
– Loss after tax	4.768	13.767	2.753	5.065
– Depreciation	22.897	17.824	7.880	6.595
– Deferred Tax	5.395	4.222	3.910	1.562
– Cash Gain/(Loss)	18.129	(0.165)	5.127	(0.032)

The Company has incurred a comprehensive gain of Rs. 0.626 million (Mar 2021: Rs. (3.430)) resulting in accumulated losses of Rs. 413.722 million (30 Jun 2021: Rs. 427.556 million) at the close of the nine month period ended 31 Mar 2022.

Positive results are appearing after letting the Unit on lease. Current liabilities are started repaying and soon after the expiry of lease terms, the Company will be in strong position to become a highly cost efficient and more productive unit.

Future Outlook / Strategy

The shareholders are well aware that plant and machinery of the unit are overhauled and the unit is running now on optimum production capacity level. The management of the company is determined and optimistic to turn the unit as viable, operational and profitable in future. We hope that the Change in Government Policies and facilitation to textile sector will bring fruitful results for the Company.

We hope that sooner your company will bring fruitful results for the Shareholders.

Acknowledgement:

We are grateful to all our stakeholders exclusively the bankers for their ongoing support and the employees of the company for their commitment and hard work.

For and on behalf of the Board



Mian Tayyab Iqbal
Chief Executive



Mian Tahir Iqbal
Director

Lahore:

Dated: 25th April, 2022

Directors' Report (Urdu)

مجلس نفعاء کی رپورٹ

محترم حصص داران

اسلام علیکم!

آپ کی کمپنی کی مجلس نفعاء 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کی مجموعی عبوری مالی معلومات (غیر جانچ شدہ) پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ مجموعی عبوری مالی معلومات کمپنیز ایکٹ 2017 کی تعمیل میں تیار کی گئی ہیں۔

مالیاتی نتائج

31 مارچ 2021 مختتمہ سرمایہ (روپے ملین میں)	31 مارچ 2022 مختتمہ سرمایہ (روپے ملین میں)	31 مارچ 2021 مختتمہ نوامیہ (روپے ملین میں)	31 مارچ 2022 مختتمہ نوامیہ (روپے ملین میں)	
-	6.900	-	20.700	دیگر آمدنی
5.065	2.753	13.767	4.768	بعد از ٹیکس نقصان
6.595	7.880	17.824	22.897	قدر میں کمی
1.562	3.910	4.222	5.395	ملٹوی ٹیکس
(0.032)	5.127	(0.165)	18.129	نقد (نقصان) / منافع

کمپنی کو 31 مارچ 2022 کو ختم ہونے والی نو ماہی کے اختتام پر 0.626 ملین روپے (مارچ 2021: 3.430) ملین روپے) مجموعی گین حاصل ہوا جس کے نتیجے میں 413.722 ملین روپے (30 جون 2021: 427.556 ملین روپے) کا مجموعی نقصان ہوا۔

پونٹ کو لیز پر دینے کے بعد مثبت نتائج ظاہر ہو رہے ہیں۔ موجودہ واجبات کی واپس ادائیگی کا آغاز ہو گیا ہے اور جلد ہی کمپنی زیادہ لاگت بچانے اور زیادہ پیداواری پونٹ بننے کی مضبوط پوزیشن میں ہوگی۔

مستقبل کا نقطہ نظر / حکمت عملی

حصص داران بخوبی آگاہ ہیں کہ پلانٹ اور پونٹ کی مشینری اور بالڈ ہیں اور پونٹ اب زیادہ سے زیادہ پیداواری صلاحیت کی سطح پر چل رہا ہے۔ کمپنی کی انتظامیہ پونٹ کو مستقبل میں قابل عمل، آپریشنل اور منافع بخش بنانے کے لئے پُر امید اور پختہ ارادہ رکھتی ہے۔ ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل سیکٹر میں سہولتیں کمپنی کے لیے مفید نتائج لائیں گی۔ ہم امید کرتے ہیں کہ آپ کی کمپنی کے اسپانسرز حصص داران کے لئے مفید نتائج لائیں گے۔

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈرز خاص طور پر بینکرز کے مسلسل تعاون اور کمپنی کے ملازمین کے عزم اور سخت محنت کے لیے ان کا شکریہ ادا کرتے ہیں۔



میاں طاہر اقبال

ڈائریکٹر

منجانب بورڈ آف ڈائریکٹر



میاں حبیب اقبال

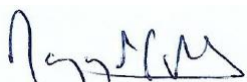
چیف ایگزیکٹو

لاہور: 25 اپریل 2022ء

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
As at March 31, 2022

	Note	Un-Audited Mar 31, 2022 Rupees	Audited Jun 30, 2021 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
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		(413,722,418)	(427,555,821)
Surplus on revaluation of property, plant and equipment		262,413,423	275,620,739
		(44,308,995)	(44,935,082)
Non-current liabilities			
Long term finances	6	201,005,193	197,976,673
Long-term security deposits		44,300,000	36,000,000
Deferred liabilities		31,749,412	37,143,949
		277,054,605	271,120,622
Current liabilities			
Trade and other payables		57,278,732	70,679,716
Unclaimed dividend		24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short term borrowings	7	69,210,378	70,918,307
		167,337,867	182,446,780
CONTINGENCIES AND COMMITMENTS			
		-	-
		400,083,477	408,632,320
ASSETS			
Non-current assets			
Property, plant and equipment	8	385,116,891	393,164,215
Long-term deposits		6,348,000	6,348,000
		391,464,891	399,512,215
Current assets			
Stores, spare parts and loose tools		7,147,495	7,147,495
Trade deposits and short-term prepayments		545,744	545,744
Balances due from government		831,077	831,077
Cash and bank balances		94,270	595,789
		8,618,586	9,120,105
		400,083,477	408,632,320

The annexed notes from 1 to 11 form an integral part of this interim financial information.



Chief Executive Officer

Lahore



Director



Chief Financial Officer

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

	Note	Nine Months ended		Quarter ended	
		Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
		Rupees		Rupees	
Sales		-	3,302,880	-	3,302,880
Cost of sales		-	3,293,812	-	3,293,812
Gross profit / (loss)		-	9,068	-	9,068
Other Operating income	9	20,700,000	-	6,900,000	-
Administrative and selling expenses		(2,558,230)	(174,500)	(1,772,201)	(100,000)
Other operating expenses		(22,897,324)	(17,824,121)	(7,879,941)	(5,941,373)
		(4,755,554)	(17,998,621)	(2,752,142)	(6,041,373)
Finance cost		(12,896)	-	(933)	-
Loss before taxation		(4,768,450)	(17,989,553)	(2,753,075)	(6,032,305)
Taxation		5,394,537	4,222,278	3,910,496	1,407,426
Loss after taxation		626,087	(13,767,275)	1,157,421	(4,624,879)
Other comprehensive income		-	10,337,301	-	3,445,766
Total comprehensive loss		626,087	(3,429,974)	1,157,421	(1,179,113)
Loss per share - basic and diluted		0.06	(1.29)	0.11	(0.43)

The annexed notes from 1 to 11 form an integral part of this interim financial information.


Chief Executive Officer

Lahore


Director


Chief Financial Officer

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

	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 nine months period ended 31 March 2021</i>				
Loss for the period	-	(13,767,275)		(13,767,275)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	10,337,301	(10,337,301)	-
Balance as at 31 March 2021	107,000,000	(460,868,249)	194,115,633	(159,752,616)
<i>Total comprehensive loss for the three months period ended 30 June 2021</i>				-
Loss for the period	-	29,430,699		29,430,699
Other Comprehensive Income		-	85,386,835	85,386,835
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	3,881,729	(3,881,729)	-
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 loss for the nine months period ended 31 March 2022</i>				-
Loss for the period	-	626,087		626,087
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	13,207,316	(13,207,316)	-
Balance as at 31 March 2022	<u>107,000,000</u>	<u>(413,722,418)</u>	<u>262,413,423</u>	<u>(44,308,995)</u>

The annexed notes from 1 to 11 form an integral part of this interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

	----- Nine months ended -----	
	Mar 31, 2022	Mar 31, 2021
	Rupees	Rupees
A CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,768,450)	(17,989,553)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	22,897,324	17,824,121
Finance cost	12,896	-
	22,910,220	17,824,121
Loss before working capital changes	18,141,770	(165,432)
Working capital changes		
(Increase) / Decrease in current assets	-	(54,607)
(Decrease) in trade and other payables	(13,400,984)	(55,500)
	(13,400,984)	(110,107)
Cash used in operations	4,740,786	(275,539)
Finance cost paid	(12,896)	-
Net cash used in operating activities	4,727,890	(275,539)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,850,000)	-
Cash used in investing activities	(14,850,000)	-
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (net) of long term finances	3,028,520	335,000
Increase of long-term Security	8,300,000	-
Proceeds from short-term borrowing (net)	(1,707,929)	-
Net cash in flow from financing activities	9,620,591	335,000
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(501,519)	59,461
Cash and cash equivalents at beginning of period	595,789	126,088
Cash and cash equivalents at end of period	94,270	185,549

The annexed notes from 1 to 11 form an integral part of this interim financial information.



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 NINE MONTHS PERIOD ENDED 31 MARCH 2022

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 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 profit for the period ended of Rs. 626,087 (Mar 2021: Rs. 3,429,974) resulting in accumulated losses at the end of the period of Rs. 413,722,418 (June 2021: Rs. 427,555,821). The Company's current liabilities exceed its current assets at reporting date by Rs. 158,719,281 (June 2021: Rs. 173,326,675).

The Company has entered into a lease agreement, of its Land, building along with Plant and Machinery after passing a special resolution dated: 30 April, 2021 and operational activities, with ASM Industries Private Limited to earn rentals. As per the terms of the agreement significant portion of rentals is invested in overhauling of plant and machinery and replacement of old machinery parts for smooth functioning. 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 2020.

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 NINE MONTHS PERIOD ENDED 31 MARCH 2022

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.

		Un-Audited Mar 31, 2022 Rupees	Audited Jun 30, 2021 Rupees
5 SHARE CAPITAL			
Authorized capital			
Ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid-up share capital			
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
		107,000,000	107,000,000
6 LONG TERM FINANCES			
<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		150,963,406	147,934,886
		201,005,193	197,976,673

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

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.

6.3 Ex-directors

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. 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, the management has taken steps to execute the settlement agreement after obtaining legal confirmation and through agreement dated 20 April, 2021 and effects to that extent are reflected in the financial statements.

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

		Un-Audited Mar 31, 2022 Rupees	Audited Jun 30, 2021 Rupees
7	SHORT TERM BORROWINGS		
	Cash finance/overdraft	60,680,179	60,680,179
	Finance against trust receipts	7,500,000	7,500,000
	Book overdraft - unsecured	1,030,199	801,490
		<u>69,210,378</u>	<u>68,981,669</u>

7.1 Book overdraft - unsecured

This has arisen due to issuance of post dated cheques in respect of balance in a bank account.

8	PROPERTY, PLANT AND EQUIPMENT		
	Opening WDV	393,164,215	414,298,743
	Addition during the period	14,850,000	3,300,000
	Less: Depreciation	(22,897,324)	(24,434,528)
	Book value as at period end	<u>385,116,891</u>	<u>393,164,215</u>

9 OTHER OPERATING INCOME

9.01	Rental income	20,700,000	-
		<u>20,700,000</u>	<u>-</u>

9.01 Rental income

The Company has temporarily leased out its plant and machinery to ASM Industries Private Limited to tide over the financial constraints. This income represents the rentals received from that Company.

10 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on April 25, 2022.

11 CORRESPONDING FIGURES

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

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

Chief Executive Officer
Lahore

Director

Chief Financial Officer



KSTML.COM



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TEXTILE MILLS LIMITED
135-Upper Mall,
Lahore, Pakistan.
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