

INTERIM FINANCIAL REPORT
For the half year ended
March 31, 2023

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 Habib Metropolitan Bank Limited 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, 2023. 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, 2023	Nine Months ended March 31, 2022	Quarter ended March 31, 2023	Quarter ended March 31, 2022
- Other Income	-	20.700	-	6.900
- Profit/(Loss) after tax	(16.052)	0.626	(5.306)	1.157
- Depreciation	19.627	22.897	6.542	7.880
- Deferred Tax	(4.861)	(5.395)	(1.620)	(3.910)
- Cash Gain/(Loss)	(1.287)	18.129	(0.384)	5.127

The Company has incurred a comprehensive loss of Rs. 16.052 million (Mar 2021: Rs. 0.626)) resulting in accumulated losses of Rs. 413.687 million (30 Jun 2022: Rs. 409.537 million) at the close of the nine month period ended 31 Mar 2023. Due to ongoing global recession less demand of yarn and continuous increase in prices to raw materials and fuel prices the management decided to temporarily shut down its business operation till May 31, 2023.

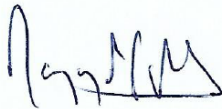
Future Outlook / Strategy

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.



Mian Tayyab Iqbal
Chief Executive

For and on behalf of the Board



Mian Tahir Iqbal
Director

Lahore:

Dated: 26th April, 2023

Directors' Report (Urdu)

مجلس نفعاء کی رپورٹ

محترم حصص داران

اسلام و علیکم!

آپ کی کمپنی کی مجلس نفعاء 31 مارچ 2023ء 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 آئی اے ایس 34 "عبوری مالیاتی رپورٹنگ" اور کمپنیز ایکٹ 2017 کی قیود میں تیار کی گئی ہیں۔

مالیاتی نتائج

31 مارچ 2022ء تک	31 مارچ 2023ء تک	31 مارچ 2022ء تک	31 مارچ 2023ء تک	
نوماہی (روپے بلین میں)	نوماہی (روپے بلین میں)	نوماہی (روپے بلین میں)	نوماہی (روپے بلین میں)	
6.900	-	20.700	-	دیگر آمدنی
1.157	(5.306)	0.626	(16.052)	بعد از ٹیکس منافع (نقصان)
7.880	6.542	22.897	19.627	قدر میں کمی
(3.910)	(1.620)	(5.395)	(4.861)	ملتی ٹیکس
5.127	(0.384)	18.129	(1.287)	نقد (نقصان) منافع

کمپنی کو 16.052 بلین روپے (مارچ 2022ء تک 0.626 بلین روپے) مجموعی نقصان ہوا جس کے نتیجے میں 31 مارچ 2023ء کو ختم ہونے والی نو ماہی مدت کے اختتام پر 413.687 بلین روپے (30 جون 2022ء تک 409.537 بلین روپے) کا مجموعی نقصان ہوا۔ یارن کی طلب میں عالمی کمی اور خام مال اور ایندھن کی قیمتوں میں مسلسل اضافہ کی وجہ سے انتظامیہ نے 31 مئی 2023ء تک اپنے کاروباری آپریشن کو عارضی طور پر بند کرنے کا فیصلہ کیا۔

مشقبات کا نقطہ نظر / حکمت عملی

موجودہ ماحول بہت مشکل ہے۔ سیلاب کی وجہ سے کپاس کی فصل تباہ ہو گئی۔ مزید برآں، سیاسی بد امنی، درآمدی پابندیوں اور ڈالر کی قیمت میں بے پناہ اضافے کی وجہ سے صورتحال مزید کشیدہ ہو گئی ہے۔ ان عوامل نے مہنگائی میں اضافہ، روپیہ کو کمزور، کپاس کی قیمتوں میں اضافہ، بجلی کی فی یونٹ قیمت میں اضافہ کیا، اور سب سے اہم بات، کاروباری اعتماد کو نقصان پہنچایا۔ مزید برآں حکومت کی کمزور موجودہ مالیاتی پوزیشن کے باعث کپاس کی درآمد کے لیے غیر ملکی ذخائر بھی بہت مشکل نظر آتے ہیں۔ ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل سیکٹر میں سہولتیں کمپنی کے لیے مفید نتائج لائیں گی۔

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۔

منجانب بورڈ آف ڈائریکٹرز



میاں طاہر اقبال

ڈائریکٹر



میاں طیب اقبال

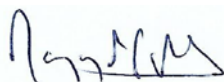
چیف ایگزیکٹو

لاہور: 26 اپریل 2023ء

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Notes	Un-Audited 31-Mar-23 (Rupees)	Audited 30-Jun-22 (Rupees)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 12,000,000 (30 June 2022: 12,000,000) ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid-up share capital	5	107,000,000	107,000,000
Accumulated loss		(413,687,752)	(409,537,200)
Surplus on revaluation of property, plant and equipment		246,109,168	258,010,986
		(60,578,584)	(44,526,214)
Non-current liabilities			
Long-term finances	6	199,439,785	199,439,785
Deferred liabilities		33,476,108	38,337,414
Long-term Security		44,300,000	44,300,000
		277,215,893	282,077,199
Current liabilities			
Trade and other payables		27,862,246	26,725,121
Unclaimed Dividend		24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short-term borrowings	7	70,116,943	69,687,461
Income tax liability		37,964	318,042
		138,865,910	137,579,381
Contingencies and commitments		-	-
		355,503,219	375,130,366
ASSETS			
Non-current assets			
Property, plant and equipment	8	344,492,301	364,119,448
Long-term deposits		6,348,000	6,348,000
		350,840,301	370,467,448
Current assets			
Stores, spare parts and loose tools		3,599,692	3,599,692
Trade deposits and short-term prepayments		507,100	507,100
Tax refunds due from government		54,607	54,607
Cash and bank balances		501,519	501,519
		4,662,918	4,662,918
		355,503,219	375,130,366

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 PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE-MONTHS PERIOD ENDED 31 MARCH 2023

Note	<u>Un-Audited</u>	<u>Un-Audited</u>	<u>Un-Audited</u>	<u>Un-Audited</u>
	Nine Months Ended		Quarter Ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales	-	-	-	-
Cost of sales	-	-	-	-
Gross Loss	-	-	-	-
Other operating income	-	20,700,000	-	6,900,000
Other operating expenses				
Administrative and selling expenses	(1,286,531)	(2,558,230)	(383,640)	(1,772,201)
Other Operating Expenses	(19,627,147)	(22,897,324)	(6,542,384)	(7,879,941)
Finance cost	-	(12,896)	-	(933)
	(20,913,678)	(25,468,450)	(6,926,024)	(9,653,075)
Loss before taxation	(20,913,678)	(4,768,450)	(6,926,024)	(2,753,075)
Provision for taxation	4,861,306	5,394,537	1,620,435	3,910,496
(Loss)/profit after taxation	(16,052,372)	626,087	(5,305,589)	1,157,421
Other comprehensive loss	-	-	-	-
Total comprehensive loss	(16,052,372)	626,087	(5,305,589)	1,157,421
Loss per share - basic and diluted	(1.50)	0.06	(0.50)	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 UBTERUN CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2023

	Un-Audited 31-Mar-23 <u>(Rupees)</u>	Un-Audited 31-Mar-22 <u>(Rupees)</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss	(20,913,678)	(4,768,450)
Add / (Less) Adjustment for non-cash items:		
Adjustment for depreciation on property, plant & equipment	19,627,147	22,897,324
Finance cost	-	12,896
	<u>19,627,147</u>	<u>22,910,220</u>
Operating profit / (loss) before working capital changes	(1,286,531)	18,141,770
Working capital changes		
Decrease / (increase) in current assets		-
(Decrease) / Increase in trade and other payables	1,137,125	(13,400,984)
	<u>1,137,125</u>	<u>(13,400,984)</u>
Cash (used in) / generated from operations	(149,406)	4,740,786
Income taxes paid	(280,078)	(12,896)
Net cash (used in) operating activities	<u>(429,484)</u>	<u>4,727,890</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(14,850,000)
Cash generated from investing activities	-	(14,850,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds (net) of long-term finances	-	3,028,520
Increase of long-term Security	-	8,300,000
(Repayments) / Proceeds (net) of short-term borrowings	429,484	(1,707,929)
Net cash in / (out) flow from financing activities	<u>429,484</u>	<u>9,620,591</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	-	(501,519)
Cash and cash equivalents at beginning of the period	501,519	595,789
Cash and cash equivalents at end of the period	<u>501,519</u>	<u>94,270</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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT MARCH 31, 2023

Particulars	Issued, subscribed and paid up share capital	Capital Reserve Revaluation surplus on property, plant and equipment	Revenue reserve- Accumulated Profits/(Loss)	Sub-Total	Total equity
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
	A	B	C	D=B+C	E=A+D
Balance as at June 30, 2021	107,000,000	275,620,741	(427,555,823)	(151,935,082)	(44,935,081)
Loss for the period	-	-	626,087	626,087	626,087
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	626,087	626,087	626,087
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(13,207,316)	13,207,316	-	-
Balance as at March 31, 2022	107,000,000	262,413,425	(413,722,420)	(151,308,995)	(44,308,994)
Profit for the period	-	-	(217,218)	(217,218)	(217,218)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(217,218)	(217,218)	(217,218)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	4,402,440	4,402,440	-	-
Balance as at June 30, 2022	107,000,000	258,010,985	(409,537,198)	(151,526,213)	(44,526,212)
Profit for the period	-	-	(16,052,372)	(16,052,372)	(16,052,372)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(16,052,372)	(16,052,372)	(16,052,372)
Incremental depreciation of surplus on revaluation of property, plant and equipment realized for the year (net of tax)	-	11,901,818	11,901,818	-	-
Balance as at March 31, 2023	107,000,000	246,109,167	(413,687,752)	(167,578,585)	(60,578,584)

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
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2023

1 STATUS AND ACTIVITES

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.16,052,372 (Mar 2022: Rs.626,087) resulting in accumulated losses at the end of the period of Rs.413,687,752 (June 2022: Rs.409,537,200). The Company's current liabilities exceed its current assets at reporting date by Rs.134,202,992 (June 2022: Rs.132,916,463).

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 2022.

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.

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, 2022.

	Un-Audited 31-Mar-23 Rupees	Audited 30-Jun-22 Rupees
5 SHARE CAPITAL		
Authorized capital		
Ordinary shares of Rs.10 each	<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up share capital		
10,000,000 (June 30, 2022: 10,000,000) ordinary shares of Rs.10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2022: 700,000) ordinary shares of Rs.10/- each fully paid as bonus shares	7,000,000	7,000,000
	<u>107,000,000</u>	<u>107,000,000</u>
6 LONG TERM FINANCES		
<i>From related parties (current and prior) - unsecured</i>		
6.01 Sponsors	30,400,000	30,400,000
6.02 Previous associated undertakings	19,641,787	19,641,787
6.03 Current and ex-directors	<u>149,397,998</u>	<u>149,397,998</u>
	<u>199,439,785</u>	<u>199,439,785</u>
6.01 Sponsors		
These represent unsecured loan from sponsors of the Company. The terms repayment has not yet been decided so far.		
6.02 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 2021: Rs.13.440 million) and mark-up accrued on said loans amounting to Rs.18.890 million (June 2021: 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, the management has taken steps to execute the settlement agreement after legal confirmation and through agreement dated 20 April 2021.		
6.03 Current and ex-directors		
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.		
7 Short term borrowings - banks and financial institutions		
Cash finance/overdraft	60,680,179	60,680,179
Finance against trust receipts	7,500,000	7,500,000
7.1 Book overdraft - unsecured	<u>1,936,764</u>	<u>1,507,282</u>
	<u>70,116,943</u>	<u>69,687,461</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	364,119,448	393,164,215
Add: Addition during the period	-	-
Less: Depreciation	<u>(19,627,147)</u>	<u>(29,044,767)</u>
Book value as at period end	<u><u>344,492,301</u></u>	<u><u>364,119,448</u></u>

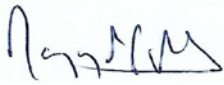
9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on April 26, 2023.

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