

INTERIM FINANCIAL REPORT

For the Nine Months ended

March 31, 2021

KHALID SIRAJ

Textile Mills Limited



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Company Information

Chief Executive Officer	-	Mian Tayyab Iqbal
Directors	-	Mian Iqbal Barkat
	-	Mian Hassan Barkat
	-	Mian Tahir Iqbal
	-	Mrs. Abida Iqbal
	-	Mrs. Rafia Hassan.
	-	Mrs. Rukhsana Arif.
Audit Committee		
Chairman	-	Mrs. Rukhsana Arif
Members	-	Mrs. Rafia Hassan.
	-	Mian Tahir Iqbal
HR Committee		
Chairman	-	Mian Tahir Iqbal
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, 2021. The Condensed interim financial Information has been prepared in compliance with IAS – 34 "Interim Financial Reporting" and the Companies Act, 2017.

Financial Highlights

	Nine Months ended March 31, 2021	Nine Months ended March 31, 2020	Quarter ended March 31, 2021	Quarter ended March 31, 2020
– Gross Profit	0.009	-	0.009	-
– Loss after tax	13.767	15.294	5.065	5.065
– Depreciation	17.824	19.784	6.595	6.595
– Deferred Tax	4.222	4.685	1.562	1.562
– Cash Loss	0.165	0.196	0.032	0.032

The Company has incurred a gross profit of Rs. 0.009 million (Mar 2020: Rs. 0.00) resulting in accumulated losses of Rs. 460.868 million (30 Jun 2020: Rs. 457.438 million) at the close of the nine month period ended 31 Mar 2021. The Company's current liabilities exceed its current assets by Rs. 209.509 million (30 Jun 2020: Rs. 209.679 million).

Today the entire world and our country also has been affected by COVID-19 third wave. Its devastating impact on our daily life including the economy is now evident and future appears to be more challenging. But fortunately, with the best efforts of management, Your Company has got production orders that were completed from outsourcing, which results in gross profit.

Future Outlook / Strategy

The shareholders are well aware that Board of Directors in their meeting held on 07 April, 2021 has decided to consider the proposal to generate funds and strategies to resume operations. Subsequently, on upcoming EOGM on April 30, 2021, in which your Company is considering and approve the proposal to generate funds and strategies to resume operations and is hereby accorded for utilization of the proceeds to redeem the bank borrowings partially and settle the other liabilities of the Company as recommended by the Board of Directors of the Company.

We hope that the new proposal will bring fruitful results for the Company.

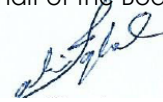
Acknowledgement:

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: 27th April, 2021

Directors' Report (Urdu)

مجلس نظراء کی رپورٹ

آپ کی کمپنی کی مجلس نظراء 31 مارچ 2021ء 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 IAS-34 "عبوری مالیاتی رپورٹنگ اوپنٹیز ایکٹ 2017 کی تعمیل میں تیار کی گئی ہیں۔

(روپے ملین میں)

مالیاتی نتائج

31 مارچ 2020 مختتمہ سرمایہ	31 مارچ 2021 مختتمہ سرمایہ	31 مارچ 2020 مختتمہ نو ماہی	31 مارچ 2021 مختتمہ نو ماہی	
-	0.009	-	0.009	مجموعی منافع
5.065	5.065	15.294	13.767	بعد از ٹیکس نقصان
6.595	6.595	19.784	17.824	قدر میں کمی
1.562	1.562	4.685	4.222	ملتی ٹیکس
0.032	0.032	0.196	0.165	نقد نقصان

کمپنی کو 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے اختتام میں مجموعی 460.868 ملین روپے (30 جون 2020: 457.438 ملین روپے) نقصانات ہوئے، جبکہ مجموعی منافع 0.009 ملین روپے (31 مارچ 2020: 0.000 ملین روپے) ہوا۔ کمپنی کے موجودہ واجبات اس کے موجودہ اثاثوں کی مالیت سے 209.509 ملین روپے (30 جون 2020: 209.679 ملین روپے) تک بڑھ گئے ہیں۔


آج پوری دنیا اور ہمارا ملک بھی COVID-19 کی تیسری لہر سے متاثر ہو چکا ہے۔ معیشت سمیت ہماری روزمرہ زندگی پر اس کے منفی اثرات ثابت کرتے ہیں کہ مستقبل مزید چیلنجز ہوگا۔ لیکن ہم خوش قسمتی سے، انتظامیہ کی کوششوں کے ساتھ، آپ کی کمپنی نے پروڈکشن آرڈرز حاصل کئے ہیں جو آؤٹ سورسنگ سے مکمل کئے گئے، جس کے نتیجے میں مجموعی منافع ہوا۔ مستقبل کا نقطہ نظر/ حکمت عملی

حصص یافتگان بخوبی واقف ہیں کہ بورڈ آف ڈائریکٹرز نے 07 اپریل 2021ء کو منعقدہ اپنے اجلاس میں فنڈز پیدا کرنے اور کارروائیوں کو دوبارہ شروع کرنے کی حکمت عملی مرتب کرنے کی تجویز پر غور کرنے کا فیصلہ کیا ہے۔ اس کے نتیجے میں، 130 اپریل 2021ء کو آئندہ EOGM، جس میں آپ کی کمپنی فنڈز پیدا کرنے اور کارروائیوں کو دوبارہ شروع کرنے کی حکمت عملی پر غور اور منظوری دے رہی ہے اور بذریعہ ہذا کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعے تجویز کردہ کمپنی کے بینک قرضوں کو جزوی طور پر ادا کرنے اور دیگر ذمہ داریوں کو نبھانے کے لئے حاصل شدہ رقم کو استعمال کرنے کی منظوری دی جاتی ہے۔ ہم اُمید کرتے ہیں کہ نئی تجویز کمپنی کے لئے منافع بخش ہوگی۔

اظہار تشکر

بورڈ اپنے بینکاروں کے مسلسل تعاون اور کمپنی کے تمام ملازمین کی لگن اور سخت محنت کی تعریف کرتے ہوئے خوشی محسوس کرتا ہے۔


ماہر اقبال
چیئرمین

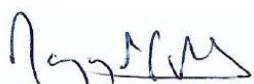
منجانب بورڈ آف ڈائریکٹرز

میاں ملیب اقبال
چیف ایگزیکٹو آفیسر

لاہور: 127 اپریل 2021ء

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
As at March 31, 2021

	Note	Un-Audited Mar 31, 2021 Rupees	Audited Jun 30, 2020 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 12,000,000 (30 June 2020: 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		(460,868,249)	(457,438,275)
Surplus on revaluation of property, plant and equipment		194,115,633	204,452,934
		(159,752,616)	(145,985,341)
Non-current liabilities			
Long term finances	6	227,104,487	226,769,487
Deferred liabilities		30,143,829	34,366,107
		257,248,316	261,135,594
Current liabilities			
Trade and other payables		113,375,217	113,430,717
Unclaimed dividend	7	24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short term borrowings		68,180,179	68,180,179
		222,404,153	222,459,653
CONTINGENCIES AND COMMITMENTS			
		-	-
		319,899,853	337,609,906
ASSETS			
Non-current assets			
Property, plant and equipment	8	289,353,375	307,177,496
Long-term deposits		2,001,000	2,001,000
Long-term advances		15,650,727	15,650,727
		307,005,102	324,829,223
Current assets			
Stores, spare parts and loose tools		12,147,495	12,147,495
Trade deposits and short-term prepayments		507,100	507,100
Balances due from government		54,607	-
Cash and bank balances		185,549	126,088
		12,894,751	12,780,683
		319,899,853	337,609,906

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



Chief Executive Officer



Director

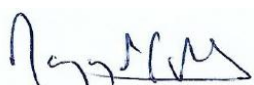


Chief Financial Officer

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

	Nine Months ended		Quarter ended	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
	Rupees		Rupees	
Note				
Sales	3,302,880	-	3,302,880	-
Cost of sales	3,293,812	-	3,293,812	-
Gross profit / (loss)	9,068	-	9,068	-
Operating expenses				
Administrative and selling expenses	(174,500)	(195,702)	(100,000)	(32,542)
Other operating expenses	(17,824,121)	(19,783,984)	(5,941,373)	(6,594,661)
	(17,998,621)	(19,979,686)	(6,041,373)	(6,627,203)
Finance cost	-	-	-	-
Loss before taxation	(17,989,553)	(19,979,686)	(6,032,305)	(6,627,203)
Taxation	4,222,278	4,685,442	1,407,426	1,561,813
Loss after taxation	(13,767,275)	(15,294,244)	(4,624,879)	(5,065,390)
Other comprehensive income	10,337,301	-	3,445,766	-
Total comprehensive loss	(3,429,974)	(15,294,244)	(1,179,113)	(5,065,390)
Loss per share - basic and diluted	(1.29)	(1.43)	(0.43)	(0.47)

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 NINE MONTHS PERIOD ENDED 31 MARCH 2021

	Share capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	-----Rupees-----			
Balance as at 30 June 2019	107,000,000	(452,411,463)	219,747,944	(125,663,519)
<i>Total comprehensive loss for the nine months period ended 31 March 2020</i>				
Loss for the period	-	(15,294,244)		(15,294,244)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	11,471,256	(11,471,256)	-
Balance as at 31 March 2020	107,000,000	(456,234,451)	208,276,688	(140,957,763)
<i>Total comprehensive loss for the three months period ended 30 June 2020</i>				-
Loss for the period	-	(5,027,578)		(5,027,578)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	3,823,754	(3,823,754)	-
Revaluation surplus on property, plant and equipment for the year (net of tax)			-	-
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	<u>107,000,000</u>	<u>(460,868,249)</u>	<u>194,115,633</u>	<u>(159,752,616)</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 NINE MONTHS PERIOD ENDED 31 MARCH 2021

	----- Nine months ended -----	
	Mar 31, 2021	Mar 31, 2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(17,989,553)	(19,979,686)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	17,824,121	19,783,984
Finance cost	-	-
	17,824,121	19,783,984
Loss before working capital changes	(165,432)	(195,702)
Working capital changes		
(Increase) / Decrease in current assets	(54,607)	-
(Decrease) in trade and other payables	(55,500)	75,000
	(110,107)	75,000
Cash used in operations	(275,539)	(120,702)
Income tax paid	-	-
Finance cost paid	-	-
Net cash used in operating activities	(275,539)	(120,702)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (net) of long term finances	335,000	-
Net cash in flow from financing activities	335,000	-
Net decrease in cash and cash equivalents	59,461	(120,702)
Cash and cash equivalents at beginning of period	126,088	246,109
Cash and cash equivalents at end of period	185,549	125,407

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 31 MARCH 2021

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 loss for the period ended of Rs. 3,429,974 (Mar 2020: Rs. 15,294,244) resulting in accumulated losses at the end of the period of Rs. 460,868,249 (June 2020: Rs. 457,438,275). The Company's current liabilities exceed its current assets at reporting date by Rs. 209,509,402 (June 2020: Rs. 209,678,970).

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 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 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, 2020.

		Un-Audited Mar 31, 2021 Rupees	Audited Jun 30, 2020 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, 2020: 10,000,000) ordinary shares of Rs 10/- each fully paid in cash		100,000,000	100,000,000
700,000 (June 30, 2020: 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		32,329,798	32,329,798
Ex-directors		164,374,689	164,039,689
		227,104,487	226,769,487

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). Furthermore 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 NINE MONTHS PERIOD ENDED 31 MARCH 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.

		Un-Audited Mar 31, 2021 Rupees	Audited Jun 30, 2020 Rupees
7 UNCLAIMED DIVIDEND			
Sponsors' uncalled dividends	- note 7.1	24,058,182	24,058,182
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.		
8 PROPERTY, PLANT AND EQUIPMENT			
Opening WDV		307,177,496	320,366,817
Less: Depreciation		(17,824,121)	(13,189,321)
Book value as at period end		289,353,375	307,177,496

9 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on April 27, 2021.

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

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