

INTERIM FINANCIAL REPORT
For the quarter ended
September 30, 2022

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 Appartments, 24-Jail Road, Lahore
Bankers	-	National Bank of Pakistan Meezan Bank Limited Habib Metropolitan 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

The Board of Directors of your Company is pleased to present their report together with the Condensed Interim Financial Information (Un-Audited) for the 1st quarter ended September 30, 2022 before you.

Financial Highlights

	Quarter ended September 30, 2022 (Rupees in million)	Quarter ended September 30, 2021 (Rupees in million)
– Other Operating income	0.000	6.600
– Loss/ Profit after tax	(4.991)	(3.155)
– Depreciation	6.542	7.385
– Cash Profit	1.551	4.230

During the 1st Quarter under review, Losses are Rs. (4.991) million compared to Rs. (3.155) million in the previous corresponding period. There have been uncertainties during the period, mainly due to political instability. It has worsened the situation by increasing inflation, destabilizing the rupee and most importantly damaging the business sentiment. Cotton areas were also hit hard by the floods this too created a lot of uncertainty in the market. Furthermore the government should provide comprehensive package for textile industry which may include a strict check and balance on keeping the energy cost at a regional competitive rate, provision of subsidization of mark-up rates on working capital facilities and ensuring timely refunds.

Future Outlook / Strategy

The Current environment is very challenging. A huge portion of cotton crop has been damaged by the floods. Furthermore with the weak current financial position of the government foreign reserves importing cotton too looks very difficult.

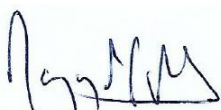
The shareholders are well aware that significant amount of rent is being applied on overhauling and upgradation of plant and machinery. The management of the company is determined and optimistic to turn the unit as viable, operational and profitable in future.

We hope that a 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.

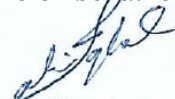
Acknowledgement:

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: 21st December 2022

Directors' Report (Urdu)

مجلسِ نظام کی رپورٹ

آپ کی کمپنی کی مجلسِ نظام 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کی مجموعی عبوری مالی معلومات (غیر جانچ شدہ) معر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج

30 ستمبر 2021 مختتمہ سہ ماہی (روپے ملین میں)	30 ستمبر 2022 مختتمہ سہ ماہی (روپے ملین میں)	
6.600	0.000	دیگر آپریٹنگ آمدنی
(3.155)	(4.991)	بعد از ٹیکس (نقصان)/منافع
7.385	6.542	قدر میں کمی
4.230	1.551	نقد (نقصان)/منافع

زیر جائزہ پہلی سہ ماہی کے دوران، نقصانات (4.991) ملین روپے ہوئے جبکہ گزشتہ اسی مدت میں نقصانات (3.155) ملین روپے ہوئے۔ زیر جائزہ مدت کے دوران سیاسی عدم استحکام کی وجہ سے غیر یقینی رہی ہے۔ اس نے مہنگائی میں اضافہ، روپے کو غیر مستحکم کر کے اور سب سے اہم یہ کہ کاروباری جذبات کو نقصان پہنچا کر صورتحال کو مزید خراب کیا ہے۔ کپاس کے علاقے بھی سیلاب سے بُری طرح متاثر ہوئے جس سے مارکیٹ میں بہت زیادہ غیر یقینی کی صورتحال پیدا ہو گئی۔ مزید برآں حکومت کو ٹیکسٹائل انڈسٹری کے لیے جامع پیکیج فراہم کرنا چاہیے جس میں توانائی کی لاگت کو علاقائی مسابقتی شرح پر رکھنے پر سخت چیک اینڈ ہیلنس، ورکنگ کیمپل کی سہولیات پر مارک اپ ریٹ کی سبسڈی کی فراہمی اور بروقت رقم کی واپسی کو یقینی بنانا شامل ہیں۔

مستقبل کا نقطہ نظر/حکمت عملی

موجودہ ماحول بہت چیلنجنگ ہے۔ کپاس کی فصل کا بڑا حصہ سیلابوں سے خراب ہو گیا ہے۔ مزید برآں گورنمنٹ کے غیر ملکی ذخائر کی موجودہ کمزور مالی حالت کے ساتھ کپاس کی درآمد بھی بہت مشکل دکھائی دیتی ہے۔

حصص یافتگان بخوبی واقف ہیں کہ کرایہ کی خاطر خواہ رقم پلانٹ اور مشینری کی اوور ہالنگ اور تبدیلی پر خرچ کی جا رہی ہے۔ کمپنی کی انتظامیہ مستقبل میں یونٹ کو قابل عمل، آپریشنل اور منافع بخش بنانے کے لیے پُر عزم اور پُر امید ہے۔

ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل سیکٹر میں سہولتیں کمپنی کے لیے مفید نتائج لائیں گی۔
ہمیں اُمید ہے کہ آپ کی کمپنی جلد ہی حصص یافتگان کے لئے منافع بخش نتائج دے گی۔

اظہار تشکر

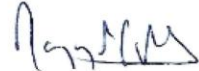
بورڈ اپنے تمام اسٹیک ہولڈرز خاص طور پر بینکاروں کے مسلسل تعاون اور کمپنی کے تمام ملازمین کی لگن اور سخت محنت کی تعریف کرتے ہوئے خوشی محسوس کرتا ہے۔

مفتاح بورڈ آف ڈائریکٹر



میاں طاہر اقبال

ڈائریکٹر



میاں طیب اقبال

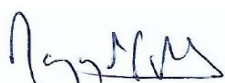
چیف ایگزیکٹو

لاہور: 21 دسمبر 2022ء

Condensed Interim Statement of Financial Position As at September 30, 2022

	Notes	Un-Audited 30/Sep/2022 (Rupees)	Audited 30/Jun/2022 (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	6	107,000,000	107,000,000
Accumulated loss		(410,561,072)	(409,537,200)
Surplus on revaluation of property, plant and equipment		254,043,713	258,010,986
		(49,517,359)	(44,526,214)
Non-current liabilities			
Long-term finances	7	199,439,785	199,439,785
Long-term Security		44,300,000	44,300,000
Deferred liabilities		36,716,978	38,337,414
		280,456,763	282,077,199
Current liabilities			
Trade and other payables		27,155,818	26,725,119
Unclaimed Dividend		24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short-term borrowings	8	69,325,963	69,687,461
Income tax liability		318,042	318,042
		137,648,580	137,579,379
Contingencies and commitments		-	-
		368,587,984	375,130,364
ASSETS			
Non-current assets			
Property, plant and equipment	9	357,577,066	364,119,448
Long-term deposits		6,348,000	6,348,000
		363,925,066	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
		368,587,984	375,130,366

The annexed notes 1 to 13 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss and other comprehensive Income
For the quarter ended September 30, 2022

		Un-Audited 30/Sep/2022 (Rupees)	Un-Audited 30/Sep/2021 (Rupees)
	Note		
Other operating income	10	-	6,600,000
Other operating expenses			
Administrative and selling expenses	11	(69,201)	(570,976)
Other Operating Expenses		(6,542,382)	(7,384,942)
Finance cost		-	(1,256)
		<u>(6,611,583)</u>	<u>(7,957,174)</u>
(Loss) / profit before taxation		(6,611,583)	(1,357,174)
Provision for taxation		1,620,436	(1,798,180)
(Loss) / profit after taxation		<u>(4,991,147)</u>	<u>(3,155,354)</u>
Incremental depreciation of surplus on revaluation of property, plant and equipment realized for the year (net of tax)		3,967,273	4,402,439
Total comprehensive income/(loss) for the period		<u>(1,023,874)</u>	<u>1,247,085</u>
Loss per share (basic and anti-dilutive)		<u>(0.47)</u>	<u>(0.29)</u>

The annexed notes 1 to 13 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows (un-audited)
For the quarter ended September 30, 2022

	Un-Audited 30/Sep/2022 (Rupees)	Un-Audited 30/Sep/2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss	(6,611,583)	(1,357,174)
Add / (Less) Adjustment for non-cash items:		
Adjustment for depreciation on property, plant and equipment	6,542,382	7,384,942
Finance cost	-	1,256
	<u>6,542,382</u>	<u>7,386,198</u>
Operating profit / (loss) before working capital changes	(69,201)	6,029,024
Working capital changes		
(Decrease) / Increase in trade and other payables	430,699	(5,823,021)
	<u>430,699</u>	<u>(5,823,021)</u>
Cash (used in) / generated from operations	361,498	206,003
Income taxes paid	-	(1,256)
Net cash (used in) operating activities	361,498	204,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(4,950,000)
Cash generated from investing activities	-	(4,950,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds (net) of long-term finances	-	187,580
Increase of long-term Security	-	4,000,000
(Repayments) / Proceeds (net) of short-term borrowings	(361,498)	499,253
Net cash in / (out) flow from financing activities	(361,498)	4,686,833
Net (decrease) / increase in cash and cash equivalents (A+B+C)	-	(58,420)
Cash and cash equivalents at beginning of the period	501,518	595,789
Cash and cash equivalents at end of the period	501,518	537,369

The annexed notes 1 to 13 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR

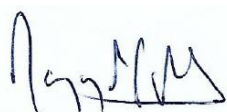


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (un-audited)
For the quarter ended September 30, 2022

Particulars	Issued, subscribed and paid up share capital	Capital Reserve Revaluation surplus on property, plant and equipment	Revenue reserve 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)	(151,935,083)	(44,935,083)
Loss for the period	-	-	(3,155,354)	(3,155,354)	(3,155,354)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(3,155,354)	(3,155,354)	(3,155,354)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(4,402,439)	4,402,439	-	-
Balance as at September 30, 2021	107,000,000	271,218,302	(426,308,738)	(155,090,437)	(48,090,437)
Profit for the period	-	-	408,869	408,869	408,869
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	408,869	408,869	408,869
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(17,609,754)	17,609,754	-	-
Balance as at June 30, 2022	107,000,000	258,010,987	(409,537,200)	(151,526,214)	(44,526,214)
Profit for the period	-	-	(4,991,147)	(4,991,147)	(4,991,147)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(4,991,147)	(4,991,147)	(4,991,147)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	3,967,273	3,967,273	-	-
Balance as at September 30, 2022	107,000,000	254,043,714	(410,561,074)	(156,517,361)	(49,517,361)

The annexed notes 1 to 13 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Information (un-audited)
For the quarter ended September 30, 2022

1 General information and nature of operations

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.

2 Basis of preparation

This condensed interim financial information is un-audited and is being submitted to shareholders, as required by the Companies Act, 2017. This financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

This condensed interim financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2022.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2022.

4 Critical accounting estimates and judgments

Judgments and estimates made by the management in the preparation of this condensed interim financial report are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2022.

5 Financial risk management

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2022.

6 Share capital

Authorized share capital

12,000,000 (30 June 2022: 12,000,000) ordinary shares of Rs. 10/- each

(Un-Audited)
Sep 30, 2022
Rupees

(Audited)
Jun 30, 2022
Rupees

120,000,000

120,000,000

Total

120,000,000

120,000,000

Issued, subscribed and paid-up share capital

10,000,000 (30 June 2022: 10,000,000) ordinary shares of Rs. 10 each fully paid in cash

100,000,000

100,000,000

700,000 (30 June 2022: 700,000) ordinary shares of Rs. 10 each fully paid as bonus shares

7,000,000

7,000,000

Total

107,000,000

107,000,000

7 Long term financing

7.01 Sponsors

30,400,000

30,400,000

7.02 Current and ex-directors

149,397,998

149,397,998

7.03 Previous associated undertakings

19,641,787

19,641,787

199,439,785

199,439,785

7.01 Sponsors

These represent unsecured loan from sponsors of the Company. The terms repayment has not yet been decided so far.

7.02 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.

7.03 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. 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.

	(Un-Audited) Sep 30, 2022 Rupees	(Audited) Jun 30, 2022 Rupees
8 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
8.01 Book overdraft - unsecured	1,145,784	1,507,282
	69,325,963	69,687,461

8.01 Book overdraft - unsecured

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

9 Property, plant and equipment

Opening written down value	364,119,448	393,164,214
Addition during the period	-	-
Depreciation for the period	6,542,382	29,044,766
	6,542,382	29,044,766
Closing book value	357,577,065	364,119,448

10 Other Operating income

	Sep 30, 2022	Sep 30, 2021
10.01 Rental Income	-	6,600,000
	-	6,600,000

10.01 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.

11 Cost of sale

Since there is no sales during this period, therefore depreciation and factory repairs amounting Rs. 6.612 million has been classified into other operating expenses.

12 General

12.01 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Condensed Interim Statement of Financial Position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the Condensed Interim profit or loss account and Other Comprehensive Income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of condensed interim half yearly financial information of comparable period.

12.02 Figures have been rounded off to the nearest rupees unless otherwise stated.

13 Date of authorization for issue

This condensed financial information was approved by the Board of Directors and authorised for issue on December 21, 2022.

The annexed notes 1 to 13 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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