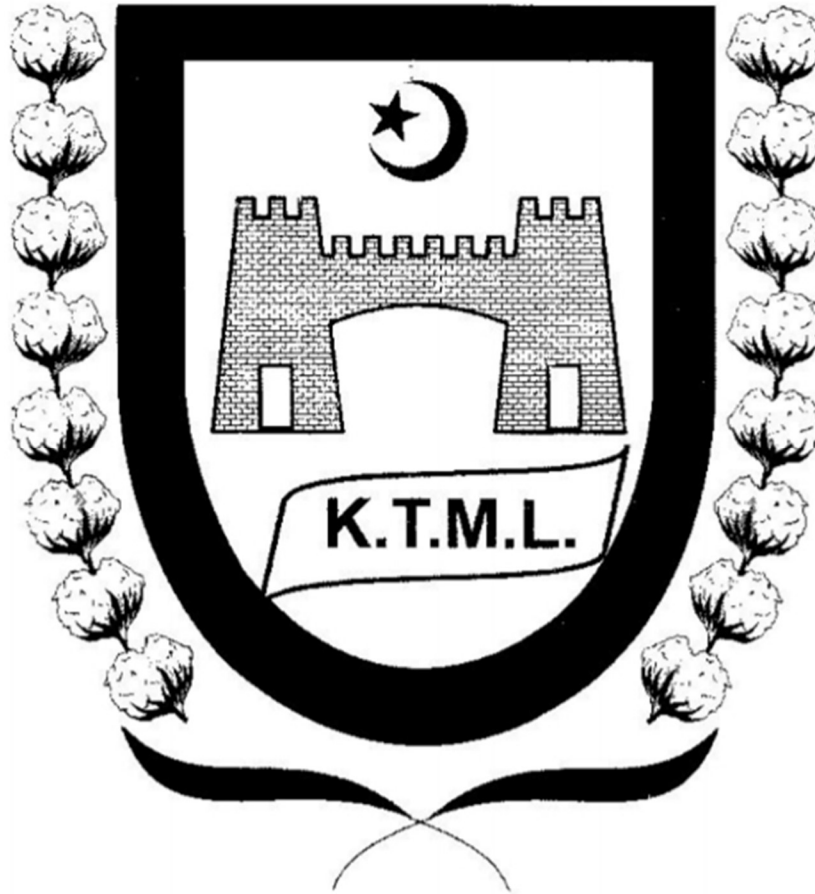


# **KHYBER TEXTILE MILLS LIMITED**

## **QUARTERLY ACCOUNTS (Reviewed) As on December 31, 2024**



**Baldher, District Haripur,**  
**Khyber Pakthunkhwa**

## **COMPANY INFORMATION**

<b>CHAIRMAN</b>	Mr. Aurangzeb Khan
<b>CHIEF EXECUTIVE</b>	Mr. Adam Jadoon
<b>DIRECTORS</b>	Mr. Aurangzeb Khan Mr. Adam Jadoon Mr. Amanullah Khan Jadoon Mr. Hassan Ovais Mr. Nusrat Iqbal Mr. Muhammad Bahauddin Mrs. Aamna Jadoon
<b>AUDIT COMMITTEE</b>	
<b>CHAIRMAN</b>	Mr. Nusrat Iqbal
<b>MEMBER</b>	Mrs. Aamna Jadoon
<b>MEMBER</b>	Mr. Muhammad Bahauddin
<b>HR &amp; R COMMITTEE</b>	
<b>CHAIRMAN</b>	Mr. Nusrat Iqbal
<b>MEMBER</b>	Mr. Muhammad Bahauddin
<b>MEMBER</b>	Mr. Adam Jadoon
<b>SECRETARY</b>	Mr. Sadaqat Khan
<b>C.F.O</b>	Mr. Taj Muhammad
<b>AUDITORS</b>	M/s Clarkson Hyde Saud Ansari Chartered Accountants
<b>SHARE REGISTRAR</b>	F.D. Registrar Services (SMC-Pvt) Ltd
<b>REGISTERED OFFICE &amp; HEAD OFFICE</b>	Khyber Textile Mills Ltd. Baldher, District Haripur, Khyber Pakhtunkhawa
<b>MILLS</b>	Baldher, District Haripur, Khyber Pakhtunkhawa

**Website address:-** [www.khybertextile.com](http://www.khybertextile.com)  
**Email Address:-** [info@khybertextile.com](mailto:info@khybertextile.com)  
**Phone No:-** 0995-655048

## KHYBER TEXTILE MILLS LIMITED

### Directors Report

On behalf of the Board of Directors (BOD), we are pleased to present the half yearly reviewed financial statements for the period ending 31<sup>st</sup> December 2024. The report reviews the Company's current business activities and operations, the ongoing banking litigation, credit restrictions and the continued closure of textile production.

In line with the decisions made during previous AGMs and per the BOD's instructions and approval, Management has repurposed most of its vacant land for agricultural business activities, including a livestock farm for the purchasing, rearing and sale of cattle. Additionally, input costs have been reduced by cultivating fodder on the Company's agricultural land for livestock consumption. Management has also continued renting some of its vacant buildings and warehouses to generate additional income, while reinvesting these funds into ongoing operations. Therefore, the Company has generated revenue during the period under review, which has been reflected in the financial statements annexed herewith.

The main obstacle in restarting the textile production has been the restrictions on access to credit facilities due to litigation pending in the High Courts by the Banks to recover fabricated liabilities. As a result of these credit constraints, the Company is unable to complete the BMR process or obtain the required working capital essential to restarting textile production. Additionally, the banks are delaying the finalization of litigation to pressure the Company into complying with their unjust demands. Nevertheless, the Company is defending the litigation before the High Courts in order to reach finality in these matters.

Despite these challenges, the Company is covering expenses, operating and investing in its current business activities, generating revenue, while also meeting its requirements as an active taxpayer.

For and on behalf of the Board of Directors,



Chief Executive  
Adam Jadoon



Director  
Muhammad Bahauddin

Baldher, Haripur Dated: 25<sup>th</sup> February 2025

### ڈائریکٹر ز رپورٹ

بورڈ آف ڈائریکٹر (BOD) کی جانب سے، ہمیں 31 دسمبر 2024 کو ختم ہونے والی مدت کے لیے ششماہی جائزہ شدہ مالیاتی بیانات پیش کرتے ہوئے خوشی ہو رہی ہے۔ رپورٹ میں کمپنی کی موجودہ کاروباری سرگرمیوں اور آپریشنز، جاری بینکنگ قانونی چارہ جوئی، کریڈٹ کی پابندیوں اور ٹیکسٹائل کی پیداوار کی مسلسل بندش کا جائزہ لیا گیا ہے۔

گزشتہ AGM کے دوران کیے گئے فیصلوں کے مطابق اور BOD کی ہدایات اور منظوری کے مطابق، مینجمنٹ نے اپنی زیادہ تر خالی زمین کو زرعی کاروباری سرگرمیوں کے لیے استعمال کیا ہے، جس میں مویشیوں کی خرید، پرورش اور فروخت کے لیے لائیو سٹاک فارم بھی شامل ہے۔ مزید برآں، مویشیوں کے استعمال کے لیے کمپنی کی زرعی زمین پر چارہ کاشت کر کے ان پٹ لاگت کو کم کیا گیا ہے۔ انتظامیہ نے اضافی آمدنی پیدا کرنے کے لیے اپنی کچھ خالی عمارتوں اور گوداموں کو کرائے پر دینا بھی جاری رکھا ہے، جبکہ ان فنڈز کو آپریشنز میں سرمایہ کاری کی ہے۔ لہذا، کمپنی نے زیر جائزہ مدت کے دوران آمدنی حاصل کی ہے، جس کی عکاسی اس کے ساتھ منسلک مالی بیانات میں ہوئی ہے۔

ٹیکسٹائل کی پیداوار کو دوبارہ شروع کرنے میں بنیادی رکاوٹ بینکوں کی جانب سے من گھڑت واجبات کی وصولی کے لیے ہائی کورٹس میں زیر التوا قانونی چارہ جوئی کی وجہ سے قرض کی سہولیات تک رسائی پر پابندیاں ہیں۔ ان رکاوٹوں کی وجہ سے، کمپنی BMR کے عمل کو مکمل کرنے یا ٹیکسٹائل کی پیداوار کو دوبارہ شروع کرنے کے لیے ضروری ورکنگ کیپیٹل حاصل کرنے سے قاصر ہے۔ مزید برآں، بینک قانونی چارہ جوئی کو حتمی شکل دینے میں تاخیر کر رہے ہیں تاکہ کمپنی پر اپنے ناجائز مطالبات کی تعمیل کے لیے دباؤ ڈالیں۔ اس کے باوجود، کمپنی ان معاملات کو حتمی شکل دینے کے لیے ہائی کورٹس کے سامنے قانونی چارہ جوئی کا دفاع کر رہی ہے۔

ان مسائل کے باوجود، کمپنی اخراجات کو پورا کر رہی ہے، سرمایہ کاری کر رہی ہے اپنی موجودہ کاروباری سرگرمیوں سے آمدنی حاصل کر رہی ہے، ایک فعال ٹیکس دہندہ کے طور پر کام کر رہی ہے۔

بورڈ آف ڈائریکٹر کے لیے اور ان کی جانب سے،



ڈائریکٹر

محمد بہاؤ الدین



چیف ایگزیکٹو

آدم جدون

بلڈھر، ہری پور مورخہ: 25 فروری 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**To the Members of : KHYBER TEXTILE MILLS LIMITED**  
**Report on Review of Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **KHYBER TEXTILE MILLS LIMITED** (the Company) as at December 31, 2024, the related condensed interim statement of profit or loss and statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Emphasis of Matter**

We draw attention to Note 2.4 to the condensed interim financial statements, which states that these financial statements have been prepared on going concern basis, yet there were factors which had affected the Company's ability to continue as a going concern in the past. Textile operations have been suspended since July 2007. However, the Company changed its line of operations few years back and has been able to generate net cash inflows. The Company is solvent and the Management has concluded that no material uncertainty exists which cast significant doubt on the Company's ability to continue as going concern. A detailed explanation is given in the aforesaid note. Our conclusion is not modified in respect of this matter.

**Other Matter**

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2024 have not been reviewed as we were required to review only the cumulative figures for the half year ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is **SAUD ANSARI**.



**Clarkson Hyde Saud Ansari**

Chartered Accountants

Karachi.

Dated: February 25, 2025

UDIN: RR202410149JovYfqmiP

**KHYBER TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	Note	Dec. 31, 2024 Unaudited	June 30, 2024 Audited
Rupees			
NON CURRENT ASSETS			
Property, Plant and Equipment	3	1,287,174,157	1,293,591,415
Bearer Plants (Biological assets)		182,450	164,950
Long Term Deposits		88,983	88,983
		1,287,445,590	1,293,845,348
CURRENT ASSETS			
Inventory - Livestock (Biological Assets)		3,701,450	-
Inventory - Animal Feed and Medicines		1,549,858	638,510
Stores and Spares	4	-	-
Advances and Other Receivables		2,141,139	1,517,239
Cash and Bank Balances	5	6,893,144	13,840,420
		14,285,591	15,996,169
		1,301,731,181	1,309,841,517
SHARE CAPITAL AND RESERVES			
Share Capital		12,275,030	12,275,030
Capital Reserve			
Statutory Reserve		257,782	257,782
Revaluation Surplus		1,249,893,449	1,254,829,867
		1,250,151,231	1,255,087,649
Accumulated Loss		(11,959,948)	(10,561,588)
		1,250,466,313	1,256,801,091
NON CURRENT LIABILITIES			
Loan from Shareholder /Director	6	16,500,757	16,500,757
Deferred Taxation		28,381,434	29,416,793
		44,882,191	45,917,550
CURRENT LIABILITIES			
Short Term Loan from Director	7	6,259,718	6,659,718
Trade and Other Payables	8	122,958	463,158
		6,382,676	7,122,876
CONTINGENCIES AND COMMITMENTS			
	9		
		1,301,731,181	1,309,841,517

The annexed notes form an integral part of these condensed financial statements



**Chief Executive**



**Director**



**Chief Financial Officer**

**KHYBER TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Note	Half Year ended Dec. 31		Quarter ended Dec. 31	
		2024	2023	2024	2023
		Rupees		Rupees	
<b>SALES</b>		-	1,848,000	-	-
Less: COST OF SALES		-	2,363,806	-	620,753
<b>GROSS (LOSS)</b>		-	(515,806)	-	(620,753)
Less: Administrative, Selling and General Expenses		12,001,456	8,547,638	5,843,460	4,077,285
		(12,001,456)	(9,063,444)	(5,843,460)	(4,698,038)
<b>OTHER INCOME</b>					
Rent		4,411,800	2,993,100	2,209,400	1,486,450
Agricultural Income		220,110	240,000	220,110	165,000
<b>OPERATING (LOSS)</b>		(7,369,546)	(5,830,344)	(3,413,950)	(3,046,588)
Less: Financial Expenses		590	4,485	302	3,220
<b>(LOSS) BEFORE TAXATION</b>		(7,370,136)	(5,834,829)	(3,414,252)	(3,049,808)
<b>TAXATION</b>					
Current	10	-	-	-	-
Deferred		(1,047,792)	(1,116,473)	-	-
		(1,047,792)	(1,116,473)	-	-
<b>NET (LOSS) FOR THE PERIOD</b>		(6,322,344)	(4,718,356)	(3,414,252)	(3,049,808)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE / (LOSS) FOR THE PERIOD</b>		(6,322,344)	(4,718,356)	(3,414,252)	(3,049,808)
<b>EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>		(5.15)	(3.84)	(2.78)	(2.48)

The annexed notes form an integral part of these condensed financial statements.



Chief Executive



Director



Chief Financial Officer



**KHYBER TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

SHARE CAPITAL	CAPITAL RESERVE		Accumulated Loss	Total
Issued, Subscribed & Paid Up Capital	Statutory Reserve	Revaluation Surplus		

'----- Rupees -----'

Balance as at July 1, 2023	12,275,030	257,782	919,741,339	(13,116,647)	919,157,504
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment (net of tax)	-	-	(3,749,029)	3,749,029	-
Total Comprehensive Loss for the Half Year	-	-	-	(4,718,356)	(4,718,356)
Balance as at December 31, 2023	<b>12,275,030</b>	<b>257,782</b>	<b>915,992,310</b>	<b>(14,085,974)</b>	<b>914,439,148</b>
Balance as at July 1, 2024	12,275,030	257,782	1,254,829,867	(10,561,588)	1,256,801,091
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	-	(4,923,984)	4,923,984	-
Deferred Tax on Incremental Depreciation on Building			(12,434)	-	(12,434)
Total Comprehensive Income for the Half Year	-	-	-	(6,322,344)	(6,322,344)
Balance as at December 31, 2024	<b>12,275,030</b>	<b>257,782</b>	<b>1,249,893,449</b>	<b>(11,959,948)</b>	<b>1,250,466,313</b>

The annexed notes form an integral part of these condensed financial statements.



**Chief Executive**



**Director**



**Chief Financial Officer**

**KHYBER TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Note	Half Year ended Dec. 31	
		2024	2023
		Rupees	
<b>CASH FROM OPERATING ACTIVITIES</b>			
(Loss) after Taxation		(7,370,136)	(5,834,829)
Adjustments for:			
Depreciation		6,417,258	4,680,878
Financial Expenses		590	4,485
Operating profit before working capital changes		(952,288)	(1,149,466)
(Increase)/Decrease in Operating Assets			
Inventory - Livestock		(3,701,450)	900
Inventory - Animal Feed and Medicines		(911,348)	(1,073,350)
		(5,565,086)	(2,221,916)
Increase/(Decrease) in Operating Liabilities			
Trade and Other Payables		(340,200)	(340,320)
Cash generated from/(used in) operations		(5,905,286)	(2,562,236)
Financial Expenses		(590)	(4,485)
Income Tax Paid		(623,900)	(680,500)
<b>Net Cash from/(used in) Operating Activities</b>		(6,529,776)	(3,247,221)
<b>CASH FROM INVESTING ACTIVITIES</b>		-	-
Expenditure on Bearer Plants		(17,500)	(15,500)
<b>Net Cash from/(used in) Financing Activities</b>		(17,500)	(15,500)
<b>CASH FROM FINANCING ACTIVITIES</b>			
Repayment of Director's Loan		(400,000)	(350,000)
<b>Net Cash from/(used in) Financing Activities</b>		(400,000)	(350,000)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(6,947,276)	(3,612,721)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		13,840,420	11,621,222
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		6,893,144	8,008,501



Chief Executive



Director



Chief Financial Officer

**KHYBER TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED**  
**DECEMBER 31, 2024**

## **1 CORPORATE AND GENERAL INFORMATION**

Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August, 1961 under the Companies Act, 1913 (Now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The activities of the Company were the manufacture and sale of cotton/polyester yarn and cloth, however due to external factors production was halted. Consequently, the Company has been operating an agricultural livestock business on its vacant land since 2017, as a revised principal line of business of the Company, that is agricultural, which was approved by the Registrar of Companies in 2019. It has also been carrying out alternative business activities of renting excess buildings for warehousing and rental purposes since 2016.

The geographical locations and addresses of Company's premises are as under:

- The registered office of the Company, the production facility and agricultural farms are located at Baldher, District Haripur, Kyhyber Pakhtunkhwa.

## **2 BASIS OF PRESENTATION**

### **2.1 Purpose of Issuance**

These condensed interim financial statements have been issued to the shareholders to comply with Section 237 of the Companies Act, 2017 are un-audited but subject to limited scope review by the external auditors as required by the Companies Act, 2017 and Code of Corporate Governance.

### **2.2 Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2024. These condensed interim financial statements are unaudited.

### **2.3 Comparative Financial Informationm**

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, whereas the comparative condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2023.

### **2.4 Basis of Measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment, which are carried at revalued amounts, less accumulated depreciation .

#### **Going Concern Assumption**

- \* These condensed interim financial statements have been prepared on a going concern basis, as opposed to the Company's ability to continue as a going concern in the past. The primary issue being that the Textile operations have been suspended since FY 2008. The core reason for the continued adverse situation is the credit restrictions resulting from the ongoing banking litigation in the High Courts. The continued litigation also restricts the Company from disposing of its excess land to meet the BMR and working capital requirements to restart the textile unit. Further, resuming production have been complicated by load shedding, escalating power tariffs, and restrictions on industrial gas meter and generators. Nonetheless, the Board of Directors and Management's intention is to restart the textile unit once the funding is available from financial institutions for which the Company's Management is pursuing the High Court cases so that they may reach finality. However, the banks are actively using delaying tactics to avoid the finalization of the litigation by avoiding arguments before the High Courts, to pressurize the Company. Consequently, there is a legal obligation to keep the entity in existence till the final decisions of the banking litigation.

- \* Following the closure of textile operations, the Company invested in an agricultural business dedicating a substantial amount of its vacant land to a livestock farm and the production of fodder for its cattle. Additionally, irrigation and water storage systems were developed to facilitate crop production. As a result of these efforts, the Company's agricultural business has been successful in making returns. Furthermore, the Company has also rented some of the vacant buildings for warehousing to organizations and local distributors, generating additional revenue.
- \* As such financial support is available from the directors, who have assisted the Company in the past. The Company has positive equity and has been generating revenue through its livestock business and rental of vacant buildings. The Company's current assets exceed its current liabilities, resulting in a positive working capital. The primary cause of losses is the non-cash charging of depreciation expense on idle items of property and plant, revalued upwards in June 2024, which does not affect the liquidity position of the Company. Thus, the Company is solvent, and Management has concluded that no material uncertainty exists which cast significant doubt on the Company's ability to continue as a going concern.

## 2.5 Accounting Policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2024.

## 2.6 Accounting Estimates and Judgements

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2024.

## 2.7 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupees, which is the company's functional and presentation

Dec. 31, 2024	June 30, 2024
----- Rupees -----	

## 3 PROPERTY, PLANT AND EQUIPMENT

Cost - Opening	1,625,228,961	1,274,671,119
Revaluation during the period	-	350,557,842
	1,625,228,961	1,625,228,961
Accumulated Depreciation - Opening	331,637,546	321,920,760
Depreciation for the period	6,417,258	9,716,786
	338,054,804	331,637,546
	1,287,174,157	1,293,591,415

## 4 STORES AND SPARES

General Stores	3,000,000	3,000,000
Less: Provision for Obsolescence	(3,000,000)	(3,000,000)
	-	-

## 5 CASH AND BANK BALANCES

Cash in Hand	1,221,183	2,051,693
Cash at Bank - Current Account	5,671,961	11,788,727
	6,893,144	13,840,420

## 6 LOAN FROM SHAREHOLDER / DIRECTOR

16,500,757	16,500,757
------------	------------

This represents the amount received from a shareholder / director of the Company for the purpose of working capital requirements. The loan is interest free, unsecured and the member has deferred their right to repayment at least twelve months from the date of these financial statements.

**7 SHORT TERM LOAN FROM DIRECTOR**6,259,7186,659,718

This represents the amount received from a director of the Company for the purpose of working capital requirements. The loan is interest free, unsecured and repayable on demand.

**8 TRADE AND OTHER PAYABLES**

Accrued Liabilities	94,400	434,720
Other Liabilities	28,558	28,558
	<u>122,958</u>	<u>463,278</u>

**9 CONTINGENCIES AND COMMITMENTS**

Contingencies reported in the annual audited financial statements for the year ended June 30, 2024 remain-unchanged.

**10 TAXATION**

No provision for current taxation has been made in these condensed interim financial statements.

**11 RELATED PARTY TRANSACTIONS**

Related parties comprise pf group companies ( associates ), directors, major shareholders, their close family members and key management personnel. Transactions with related parties during the year, other than and including those which have been disclosed elsewhere in these financial statements, are given below:

<u>Name of Related Party</u>	<u>Nature of Transaction</u>		
Mr. Adam Jadoon - Director	Loan repaid	<u>400,000</u>	<u>1,150,000</u>

**12 FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT**

The Company's financial risk exposures and risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2023.

**13 FIGURES**

Figures in these financial statements have been rounded off to the nearest rupee.

**14 DATE OF AUTHORISATION**

These financial statements were authorised for issue on February 25, 2025 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer