



Khalid Siraj Textile Mills Limited

(Un-Audited)

**Interim Financial Report
For The Half Year Ended
December 31, 2024**

Khalid Siraj Textile Mills Limited

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Khalid Siraj Textile Mills Limited

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. Muhammad Musaddaq
Audit Committee		
Chairman	-	Mian Tahir Iqbal
Members	-	Mrs. Rafia Hassan
	-	Mr. Muhammad Musaddaq
HR Committee		
Chairman	-	Mian Hassan Barkat
Members	-	Mrs. Abida Iqbal
	-	Mr. Muhammad Musaddaq
Company Secretary	-	Haji Tariq Samad
Auditors	-	M/s. Sheikh & Chaudhri Corporate Avenue, 32-A, Jail Road, Lahore. Ph: 042-35463623-5
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.pk
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

Khalid Siraj Textile Mills Limited

Directors' Report to the Members

Dear Members

The Board of Directors of your Company is pleased to present before you the Condensed Interim Financial Information (Un-Audited) duly reviewed by the auditors for the half year ended December 31, 2024 in compliance with requirements of the Companies Act, 2017.

The sector faces several challenges such as the industry continues to grapple with structural inefficiencies that hinder its full potential. Higher taxation levels have been cited as a factor affecting competitiveness in the global market. A significant decline in cotton yarn exports suggests challenges in raw material availability or competitiveness in this segment. Addressing these challenges through policy reforms and strategic initiatives will be crucial for sustaining and enhancing the textile sector's contribution to Pakistan's economy. The sector requires regionally competitive electricity and gas tariffs to better compete with countries like India, Bangladesh, and Vietnam in export markets.

Financial Highlights:

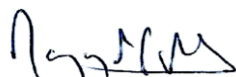
	Half Year Ended		Half Year Ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Rupees	Rupees	Rupees	Rupees
Other income	-	-	-	-
Admin. Expenses	(1,165,663)	(2,202,332)	(624,304)	(1,317,259)
Other Operating Expenses	(10,624,700)	(11,790,306)	(5,312,348)	(5,895,154)
Finance costs	0	(3,664)	-	(3,664)
Taxation	2,632,396	2,920,725	3,948,594	1,460,363
(Loss) / profit after taxation	(9,157,967)	(11,075,577)	(1,988,058)	(5,755,714)
(Loss)/Earnings per share (basic and diluted)	(0.86)	(1.04)	(0.19)	(0.54)

Future Outlook:

Prospects for the stability of the economy are largely dependent on several factors, including political stability, the implementation of a proactive and prudent monetary policy, and access to external financing. For the textile sector to remain competitive on the global stage, the main priority is ensuring the availability and affordability of energy. Currently, the industrial electricity tariff in Pakistan is higher compared to other textile exporting countries, making us less competitive in the international market. Furthermore, yarn imports to Pakistan have been on the rise over the period resulting in lower prices and demand for locally manufactured yarns. Therefore, it is necessary to establish a predictable, stable, and compatible energy, taxation, and import policy that can improve business confidence levels and improve our international and domestic competitiveness. We are exploring new product offerings and collaborations with customers to improve competitiveness and profitability in this challenging environment.

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 Officer

For and on behalf of the Board



Mian Tahir Iqbal
Director

Lahore:
February 28, 2025

Khalid Siraj Textile Mills Limited



Sheikh & Chaudhri
Chartered Accountants

Lahore Office: Corporate Avenue, 32-A, Jail Road, Lahore.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHALID SIRAJ TEXTILE MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of "KHALID SIRAJ TEXTILE MILLS LIMITED" as at 31 December 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with notes forming part thereof (hereinafter referred to as the interim financial statements) for the half year period ended. Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figure for the condensed interim statement of profit or loss and other comprehensive income for the quarter ended 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

SCOPE OF REVIEW

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by independent Auditor of the Entity." Review of interim financial information 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. However, because of the matters described in the basis of disclaimer section of our report we were unable to conduct significant review procedure that we considered necessary to express a conclusion on the condensed interim financial information.

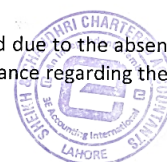
BASIS FOR DISCLAIMER OF CONCLUSION

(a) The Company has ceased its manufacturing operations in Nov 2013 and has also cancelled its lease agreement for manufacturing facility in the prior years. The Company has incurred a net loss of Rs. 9.158 million (Dec 2023: Rs. 11.076 million) resulting in accumulated losses of Rs. 395.476 million (30 Jun 2024: Rs. 392.763 million) at the close of the half year ended 31 Dec 2024. The Company's current liabilities exceed its current assets by Rs. 180.922 million (30 Jun 2024: Rs. 183.606 million). Moreover, short term borrowings from financial institutions remained unpaid along with accrued markup which is in litigation, Based on the audit evidence obtained, we believe that the Company will not be able to meet its obligations in the ordinary course of business. Accordingly, we do not agree with management's preparation and presentation of the financial statements on a going concern basis. However, the financial statements, are prepared on going concern basis. Had the financial statements been prepared on a non-going concern basis of accounting, we believe that it would have had a significant negative effect on the Company's financial position and financial performance.

(b) The Company has not provided for mark-up on short-term borrowings owing to the dispute with financial institutions, and no provision for cost of funds had been accounted for in the financial statements. In the absence of detailed working and the opinion of legal counsel of the Company in this regard we were unable to determine the amount of provision required on account of accrued mark-up.

(c) Short-term borrowings of Rs. 68.287 million from financial institutions remain unverified due to a lack of supporting evidence. Alternative audit procedures also did not provide sufficient assurance regarding these balances.

(d) Long-term finances amounting to Rs. 153.826 million, along with their terms, remain unverified due to the absence of sufficient supporting evidence. Alternative audit procedures also did not provide sufficient assurance regarding these balances.



(e) Trade and other payables amounting to Rs. 75.124 million, remain unverified due to the absence of sufficient supporting evidence. Alternative audit procedures also did not provide sufficient assurance regarding these balances.

(f) Unclaimed dividends, contingencies, and receivables remain unverified due to a lack of supporting evidence and the inability to obtain sufficient audit assurance through alternative procedures.


(g) We are unable to verify any addition in plant & machinery during the prior year, as the lease agreement states that significant portion of the rentals shall be withheld for overhauling of the plant. However, the Company has not received any information from the lessees relating to addition. Accordingly, we are unable to confirm the closing balance of property, plant & equipment and related revaluation and its adjustments.


(h) The Company's accounting policies on various items of financial statements and related disclosures are not in accordance with the requirements of International Financial Reporting Standard and related International Accounting Standards (IAS).

(i) The Company is not in compliance with certain requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and rules of Pakistan Stock Exchange and we have issued an disclaimer review report on the statement of compliance for the last year. We are unable to determine any financial implication of the same.

DISCLAIMER OF CONCLUSION

Due to the significance of the matters described in the basis for disclaimer of conclusion paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim financial information. Accordingly, we do not express a conclusion on these condensed interim financial information.


SHEIKH & CHAUDHRI
Chartered Accountants
Lahore, Pakistan



Date: February 28, 2025

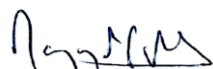
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Khalid Siraj Textile Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		Un-Audited 31-Dec-24 Rupees	Audited 30-Jun-24 Rupees
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	5	303,744,612	314,369,312
Long-term deposits		6,348,000	6,348,000
		<u>310,092,612</u>	<u>320,717,312</u>
Current assets			
Stores, spare parts and loose tools		3,018,542	3,018,542
Trade deposits and short-term prepayments		507,100	507,100
Tax refunds due from government		56,663	56,663
Cash and bank balances		7,384	7,384
		<u>3,589,689</u>	<u>3,589,689</u>
		<u><u>313,682,301</u></u>	<u><u>324,307,001</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,000,000 (30 June 2024: 12,000,000) ordinary shares of Rs. 10 each	6	120,000,000	120,000,000
		<u>107,000,000</u>	<u>107,000,000</u>
Issued, subscribed and paid-up share capital		107,000,000	107,000,000
Accumulated loss		(395,475,227)	(392,762,091)
Surplus on revaluation of property, plant and equipment		221,395,582	227,840,413
		<u>(67,079,645)</u>	<u>(57,921,678)</u>
Non-current liabilities			
Long-term finances	7	153,825,767	149,975,333
Deferred liabilities		42,425,271	45,057,667
		<u>196,251,038</u>	<u>195,033,000</u>
Current liabilities			
Trade and other payables		75,123,681	77,770,255
Unclaimed Dividend	8	24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short-term borrowings		68,286,755	68,216,918
Income tax liability		251,715	359,749
		<u>184,510,908</u>	<u>187,195,679</u>
Contingencies and commitments		-	-
		<u><u>313,682,301</u></u>	<u><u>324,307,001</u></u>

The annexed notes 1 to 12 form an integral part of this condensed financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



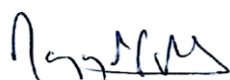
CHIEF FINANCIAL OFFICER

Khalid Siraj Textile Mills Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	Half Year Ended		Quarter Ended	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		Rupees	Rupees	Rupees	Rupees
Other operating income		-	-	-	-
Other operating expenses					
Administrative and selling expenses		(1,165,663)	(2,202,332)	(624,304)	(1,317,259)
Other Operating Expenses	9	(10,624,700)	(11,790,306)	(5,312,348)	(5,895,154)
Finance costs		0	(3,664)	-	(3,664)
		(11,790,363)	(13,996,302)	(5,936,652)	(7,216,077)
(Loss) / profit before taxation		(11,790,363)	(13,996,302)	(5,936,652)	(7,216,077)
Provision for taxation		2,632,396	2,920,725	3,948,594	1,460,363
(Loss) / profit after taxation		(9,157,967)	(11,075,577)	(1,988,058)	(5,755,714)
Other comprehensive loss		-	-	-	-
Total comprehensive loss		(9,157,967)	(11,075,577)	(1,988,058)	(5,755,714)
(Loss)/Earnings per share (basic and diluted)		(0.86)	(1.04)	(0.19)	(0.54)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



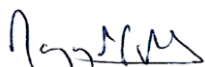
CHIEF FINANCIAL OFFICER

Khalid Siraj Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

Particulars	Share capital	Accumulated Loss	Revaluation surplus on property, plant and equipment	Total Equity
----- Rupees -----				
Balance as at June 30, 2023	107,000,000	(393,338,815)	242,141,894	(44,196,921)
<i>Total comprehensive loss for the six months period ended 31 December 2023</i>				
Total comprehensive income/(loss)	-	(11,075,577)	-	(11,075,577)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	7,150,742	(7,150,742)	-
Balance as at December 31, 2023	107,000,000	(397,263,650)	234,991,152	(55,272,498)
<i>Total comprehensive loss for the six months period ended 31 December 2024</i>				
Total comprehensive income/(loss)	-	(2,649,180)	-	(2,649,180)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	7,150,739	(7,150,739)	-
Balance as at June 30, 2024	107,000,000	(392,762,091)	227,840,413	(57,921,678)
Total comprehensive income/(loss)	-	(9,157,967)	-	(9,157,967)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,444,831	(6,444,831)	-
Balance as at December 31, 2024	107,000,000	(395,475,227)	221,395,582	(67,079,645)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



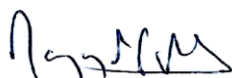
CHIEF FINANCIAL OFFICER

Khalid Siraj Textile Mills Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

	----- Six months ended ----- 31-Dec-24 Rupees	31-Dec-23 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Operating Profit / (loss)	(11,790,363)	(13,996,302)
Add / (Less) Adjustment for non-cash items:		
Adjustment for depreciation on property, plant and equipment	10,624,700	11,790,306
Finance cost	0	(3,664)
	<u>10,624,700</u>	<u>11,786,642</u>
Operating profit / (loss) before working capital changes	(1,165,663)	(2,209,660)
Working capital changes		
(Decrease) / Increase in trade and other payables	(2,646,574)	1,900,021
	<u>(2,646,574)</u>	<u>1,900,021</u>
Cash (used in) / generated from operations	(3,812,237)	(309,639)
Income taxes paid	(108,034)	-
Finance cost paid	-	3,664
Net cash (used in) operating activities	<u><u>(3,920,271)</u></u>	<u><u>(305,975)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds (net) of long-term finances	3,850,434	87,757
(Repayments) / Proceeds (net) of short-term borrowings	69,837	218,218
Net cash in / (out) flow from financing activities	<u>3,920,271</u>	<u>305,975</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	-	-
Cash and cash equivalents at beginning of the period	7,384	501,519
Cash and cash equivalents at end of the period	<u><u>7,384</u></u>	<u><u>501,519</u></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

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

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 (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. 9.157 million (Dec 2023: Rs. 11.075 million resulting in accumulated losses at the end of the period of Rs. 395,475 million (June 2024: Rs. 392.762 million. The Company's current liabilities exceed its current assets at reporting date by Rs. 180.921 million (June 2024: Rs. 183.605 million).

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 2024.

Khalid Siraj Textile Mills Limited

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, 2024.

	Un-Audited 31-Dec-24 Rupees	Audited 30-Jun-24 Rupees
5 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	314,369,312	337,949,920
Add: Addition during the period	-	-
Less: Depreciation	10,624,700	23,580,608
Book value as at period end	<u>303,744,612</u>	<u>314,369,312</u>
6 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, 2024: 10,000,000) ordinary shares of Rs 10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2024: 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>
7 LONG TERM FINANCES		
<i>From related parties (current and prior) - unsecured</i>		
Ex-directors - note 7.1	153,825,767	149,975,333
	<u>153,825,767</u>	<u>149,975,333</u>

7.1 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.

7.2 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.

Khalid Siraj Textile Mills Limited

8 UNCLAIMED DIVIDEND

Sponsors' uncalled dividends

24,058,182

24,058,182

8.1 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.

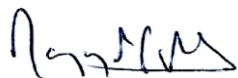
9 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on February 28, 2025.

10 CORRESPONDING FIGURES

10.1 Correspondig 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

Khalid Siraj Textile Mills Limited



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TEXTILE MILLS LIMITED
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