

INTERIM FINANCIAL REPORT
For the quarter ended
September 30, 2023

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
	-	Mr. Shahid Mehmood
Audit Committee		
Chairman	-	Mian Tahir Iqbal
Members	-	Mrs. Rafia Hassan
	-	Mr. Shahid Mehmood
HR Committee		
Chairman	-	Mian Hassan Barkat
Members	-	Mrs. Abida Iqbal
	-	Mr. Shahid Mehmood
Company Secretary	-	Haji Tariq Samad
Auditors	-	Kamran & Co. Chartered Accountants A/2, Ingola Appartments, 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

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, 2023 before you.

Financial Highlights

	Quarter ended September 30, 2023 (Rupees in million)	Quarter ended September 30, 2022 (Rupees in million)
- Loss/ Profit after tax	(5.319)	(3.155)
- Depreciation	5.895	7.385
- Cash Loss / Profit	0.576	4.230

During the 1st Quarter under review, Losses are Rs. (5.319) million compared to Rs. (4.991) million in the previous corresponding period. There have been uncertainties during the period, mainly due to the government withdrawing export traffic for electricity and abrupt devaluation, these resulted in an increase in inflation and massive shutdowns throughout the industry. After the receipt of financial assistance from friendly countries and the approval of bailout package by the IMF, it is expected that the economy now finds its way to towards gaining momentum. We hope that soon the government will be in the position to address regional power tariff issues to help the industry revive.

Positive results are appearing after letting the Unit on lease. Current liabilities have started repaying and soon the Company will be in strong position to become a highly cost efficient and more productive unit.


Future Outlook / Strategy

The shareholders are well aware that plant and machinery of the unit are overhauled and the management is working on plans to upgrade the machinery of the unit. The management is determined to turn the unit into a viable, operational and profitable unit 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: October 25, 2023

Directors' Report (Urdu)

مجلس نفعاء کی رپورٹ

آپ کی کمپنی کی مجلس نفعاء 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کی مجموعی عبوری مالی معلومات (غیر جانچ شدہ) کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

مالیاتی نتائج

30 ستمبر 2022 تک ختم شدہ سہ ماہی (روپے ملین میں)	30 ستمبر 2023 تک ختم شدہ سہ ماہی (روپے ملین میں)	
0.000	0.000	دیگر آپریٹنگ آمدنی
(4.991)	(5.319)	بعد از ٹیکس (نقصان) / منافع
6.542	5.895	قدر میں کمی
1.551	0.576	نقد (نقصان) / منافع

زیر جائزہ پہلی سہ ماہی کے دوران، کمپنی کو (5.319) ملین روپے جبکہ گزشتہ سال کی اسی سہ ماہی میں (4.991) ملین روپے نقصان ہوا تھا۔ اس عرصہ کے دوران غیر یقینی صورتحال رہی، جس کی بنیادی وجہ حکومت کی جانب سے بجلی کے لیے برآمدی ٹریڈنگ واپس لینا اور اچانک قدر میں کمی ہے، جن کے نتیجے میں افراد زر میں اضافہ اور پوری صنعت میں بڑے پیمانے پر بندش ہوئی۔ دوست ممالک کی جانب سے مالی امداد کی وصولی اور آئی ایم ایف کی جانب سے نیل آؤٹ کچنگ کی منظوری کے بعد امید کی جارہی ہے کہ مصیبت اب تیزی کی طرف گامزن ہو جائے گی۔ ہم امید کرتے ہیں کہ جلد ہی حکومت علاقائی پاور میٹرف کے مسائل کو حل کرنے کی پوزیشن میں آجائے گی تاکہ صنعت کی بحالی میں مدد مل سکے۔

یونٹ کو لیز پر دینے کے بعد مثبت نتائج سامنے آ رہے ہیں۔ موجودہ واجبات کی ادائیگی شروع ہو گئی ہے اور جلد ہی کمپنی ایک انتہائی لاگت مؤثر اور زیادہ پیداواری یونٹ بننے کی مستحکم پوزیشن میں ہو گی۔

مستقبل کا نقطہ نظر / حکمت عملی

حاصل داران، بخوبی واقف ہیں کہ یونٹ کے پلانٹ اور مشینری کو اور ہال کیا گیا ہے اور انتظامیہ یونٹ کی مشینری کو اپ گریڈ کرنے کے منصوبوں پر کام کر رہی ہے۔ انتظامیہ مستقبل میں یونٹ کو ایک قابل عمل، آپریشن اور منافع بخش یونٹ میں تبدیل کرنے کے لیے پرعزم ہے۔ ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل سیکٹر میں سہولتیں کمپنی کے لیے مفید نتائج لائے گی۔

ہمیں امید ہے کہ آپ کی کمپنی جلد ہی شیئر ہولڈرز کے لیے منافع بخش نتائج لائے گی۔

اظہار تشکر

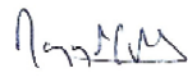
ہم اپنے تمام اسٹیک ہولڈرز خاص طور پر بینکرز کے مسلسل تعاون اور کمپنی کے ملازمین کے عزم اور سخت محنت کے لیے ان کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



میاں طاہر اقبال

ڈائریکٹر



میاں طیب اقبال

چیف ایگزیکٹو

لاہور: 25 اکتوبر 2023ء

Condensed Interim Statement of Financial Position
As at September 30, 2023

	Notes	Un-Audited 30/Sep/2023 (Rupees)	Audited 30/Jun/2023 (Rupees)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,000,000(30June 2023:12,000,000)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		(395,083,310)	(393,338,815)
Surplus on revaluation of property, plant and equipment		238,566,525	242,141,894
		(49,516,785)	(44,196,921)
Non-current liabilities			
Long-term finances	7	169,039,785	169,039,785
Deferred liabilities		37,075,218	38,335,580
		206,115,003	207,575,365
Current liabilities			
Trade and other payables		76,787,043	75,819,989
Unclaimed Dividend		24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short-term borrowings	8	68,180,179	68,224,465
Income tax liability		108,034	108,034
		185,924,013	185,001,245
Contingencies and commitments		-	-
		<u>342,522,231</u>	<u>348,379,689</u>
ASSETS			
Non-current assets			
Property, plant and equipment	9	332,054,769	337,949,921
Long-term deposits		6,348,000	6,348,000
		338,402,769	344,297,921
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		54,607	54,607
Cash and bank balances		501,213	501,519
		4,119,462	4,081,768
		<u>342,522,231</u>	<u>348,379,689</u>

The annexed notes 1 to 12 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, 2023

	Note	Un-Audited 30/Sep/2023 (Rupees)	Un-Audited 30/Sep/2022 (Rupees)
Sales		-	-
Cost of sales		-	-
Gross Profit / (Loss)		-	-
Other operating expenses			
Administrative and selling expenses	10	(885,073)	(69,201)
Other Operating Expenses		(5,895,152)	(6,542,382)
		(6,780,225)	(6,611,583)
Profit / (Loss) before taxation		(6,780,225)	(6,611,583)
Taxation		1,460,362	1,620,436
Profit / (Loss) after taxation		(5,319,863)	(4,991,147)
Earning / (Loss) per share -basic and diluted		(0.50)	(0.47)

The annexed notes 1 to 12 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, 2023

	Un-Audited	Un-Audited
	30/Sep/2023	30/Sep/2022
	(Rupees)	(Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss	(6,780,225)	(6,611,583)
Add / (Less) Adjustment for non-cash items:		
Adjustment for depreciation on property, plant and equipment	5,895,152	6,542,382
Finance cost	-	-
	5,895,152	6,542,382
Operating profit / (loss) before working capital changes	(885,073)	(69,201)
Working capital changes		
(Decrease) / Increase in trade and other payables	967,055	430,699
	967,055	430,699
Cash (used in) / generated from operations	81,982	361,498
Net cash (used in) operating activities	81,982	361,498
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / Proceeds (net) of short-term borrowings	(44,288)	(361,498)
Net cash in / (out) flow from financing activities	(44,288)	(361,498)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	37,694	-
Cash and cash equivalents at beginning of the period	501,519	501,519
Cash and cash equivalents at end of the period	539,213	501,519

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

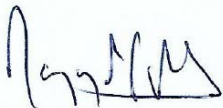


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (un-audited)
For the quarter ended September 30, 2023

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, 2022	107,000,000	258,010,986	(409,537,200)	(151,526,214)	(44,526,214)
Loss 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	254,043,713	(410,561,074)	(156,517,361)	(49,517,361)
Profit for the period	-	-	329,292	329,292	329,292
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	329,292	329,292	329,292
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(15,869,091)	15,869,091	-	-
Balance as at June 30, 2023	107,000,000	242,141,895	(393,338,817)	(151,196,922)	(44,196,922)
Profit for the period	-	-	(5,319,863)	(5,319,863)	(5,319,863)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(5,319,863)	(5,319,863)	(5,319,863)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(3,575,370)	3,575,370	-	-
Balance as at September 30, 2023	107,000,000	238,566,525	(395,083,310)	(156,516,785)	(49,516,785)

The annexed notes 1 to 12 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, 2023

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 has 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, 2023.

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, 2023.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2021, were either considered not to be relevant to the Company's operations or did not significantly affect the accounting policies of the Company.

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, 2023.

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, 2023.

6 Share capital

Authorized share capital

	(Un-Audited) Sep 30, 2023 Rupees	(Audited) Jun 30, 2023 Rupees
12,000,000 (30 June 2023: 12,000,000) ordinary shares of Rs. 10/- each	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 2023: 10,000,000) ordinary shares of Rs. 10 each fully paid in cash	100,000,000	100,000,000
700,000 (30 June 2023: 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	Current and ex-directors	149,397,998	149,397,998
7.02	Previous associated undertakings	19,641,787	19,641,787
		<u>169,039,785</u>	<u>169,039,785</u>

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.

8 Short term borrowings - banks and financial institutions

	(Un-Audited) Sep 30, 2023 Rupees	(Audited) Jun 30, 2023 Rupees
Cash finance/overdraft	60,680,179	60,680,179
Finance against trust receipts	7,500,000	7,500,000
8.01 Book overdraft - unsecured	0	44,286
	68,180,179	68,224,465

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	337,949,920	364,119,449
Addition during the period	-	-
Depreciation for the period	5,895,152	26,169,528
	5,895,152	26,169,528
Closing book value	332,054,768	337,949,921

10 Cost of sale

Since there is no sales during this period, therefore depreciation and administrative expenses amounting Rs. 6.780 million has been classified into other operating expenses.

11 General

11.01 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassifications 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.

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

12 Date of authorization for issue

This condensed financial information was approved by the Board of Directors and authorized for issue on October 25, 2023.

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

KSTML.COM

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Lahore, Pakistan.
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