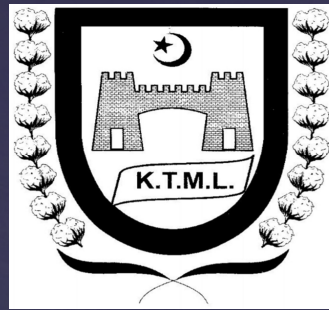


KHYBER TEXTILE MILLS(LTD)



CORPORATE BRIEFING SESSION
ON
THE COMPANY'S FINANCIAL YEAR 2023
AND
GENERAL OUTLOOK

22nd November, 2023

Disclaimer

- This presentation has been prepared by the Company solely for information purposes. This presentation shall not at all be intended to provide any disclosure upon which an investment decision could be made.
- Any statement regarding the future or general outlook of the Company, serve as a guideline to the Company's intentions that may or may not be achieved as there are inherent risks and uncertainties both general and specific, which may cause actual performance and outcomes in future periods to differ materially from any projections of future performance or result expressed or implied by such statements.
- The reader should give consideration to the economic and legal environment the Company is operating under, in which inherent risks exist. Hence these statements do not bind the Company to any particular path, decision or outcome.

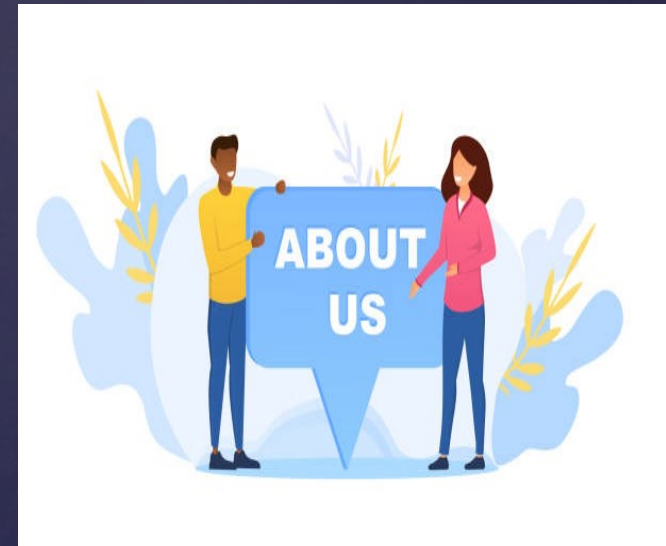
COMPANY'S INFORMATION

- CHAIRMAN
- CHIEF EXECUTIVE OFFICER
- BOARD OF DIRECTORS (7 MEMBERS)
- AUDIT COMMITTEE (3 MEMBERS)
- HR COMMITTEE (3 MEMBERS)
- COMPANY SECRETARY
- CHIEF FINANCIAL OFFICER
- AUDITORS
- SHARE REGISTRAR
- REGISTERED OFFICE



COMPANY PROFILE

- Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August 1961. Its shares are quoted (KHYT) 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 the 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. It has also been carrying on alternative business activities of renting excess buildings for warehousing and rental purposes since 2016.
- The registered office of the Company, the production facility and agricultural farms are located at Baldher, District Haripur, Khyber Pakhtunkhwa.



BACKGROUND ON COMPANY'S CURRENT ISSUES

- Due to High Court Litigation and credit restrictions imposed by the Banks, Textile production was closed and has been unable to resume as re-initiation requires access to working capital and BMR funds.
- BOD and Members approved initiation of alternative business activities for the Company.
- Limited options due to financial constraints from credit restrictions.
- Commencement of agricultural business on Company's excess empty land in 2017.



CURRENT BUSINESS OPERATIONS AND PERFORMANCE FY-2023

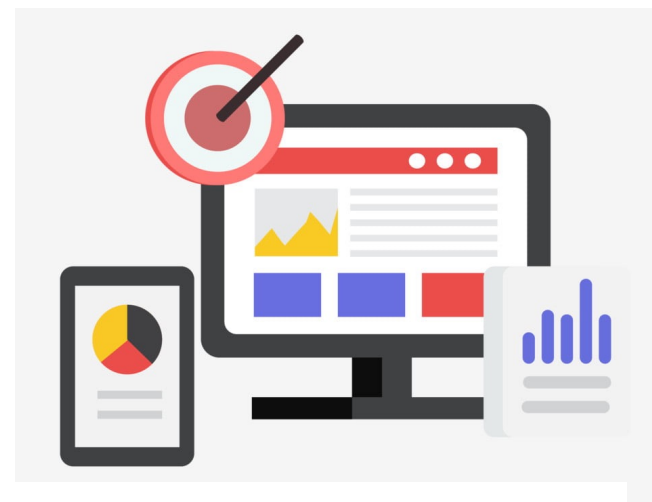
- The Company's Agricultural livestock farm increased its sales for FY-2023.
- The Management is cultivating the majority of excess land for fodder production thereby reducing input costs.
- Additional revenue generated through renting of vacant buildings and warehouses.
- Increase in cash flow during the financial year.
- The Company has reduced liabilities and increased its revenue during FY-2023.
- Due to depreciation on idle items of property plant and equipment the Company has suffered a comprehensive loss . However, these are non-cash expenses which do not affect the liquidity position of the Company.
- Therefore, the Company is solvent.



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KEY OPERATING AND FINANCIAL DATA

	(Rupees in '000)					
	2023	2022	2021	2020	2019	2018
OPERATING:						
Net Sales	27,104	14,592	9,618	8,062	3,516	1,750
Gross (Loss) Profit	7,677	3,776	1,672	1,417	1,096	(1,034)
Operating Profit/(Loss)	(4,528)	(6,245)	(9,880)	(9,800)	(5,096)	(7,848)
Pre Tax Profit/(Loss)	(4,528)	(6,245)	(9,880)	3,999	(5,416)	(8,942)
After Tax Profit/(Loss)	(3,916)	(5,210)	5,411	2,125	(3,546)	(10,707)
Tangible Fixed Assets	952,750	962,932	973,973	986,074	999,277	428,152
Long Term Deposit	89	89	89	89	89	89
	952,839	963,021	974,062	986,163	999,366	428,241
Current Assets	13,439	11,382	8,901	8,989	8,256	5,688
Current Liabilities	(8,353)	(10,626)	(28,207)	(47,424)	(54,585)	(26,089)
Working Capital	3,086	756	(19,306)	(38,435)	(46,329)	(20,401)
Share Capital	12,275	12,275	12,275	12,275	12,275	12,275
Accumulated Losses	<u>(13,117)</u>	<u>(16,700)</u>	<u>(19,607)</u>	<u>(33,842)</u>	<u>(10,917)</u>	<u>(15,472)</u>



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees --- Restated ---
SALES		27,103,500	14,591,500
Less: COST OF SALES	18	<u>19,426,034</u>	<u>10,815,538</u>
GROSS PROFIT		7,677,466	3,775,962
Less: Administrative Expenses	19	<u>15,858,954</u>	<u>15,277,271</u>
Other Operating Expenses	21	583,290	451,850
Financial Expenses - Bank Charges		3,784	1,207
		<u>16,446,028</u>	<u>15,730,328</u>
		(8,768,562)	(11,954,366)
Gain / (Loss) on Remeasurement of Biological Assets		(1,317,724)	238,255
Other Operating Income - Rent		5,433,400	5,319,500
Agriculture Income		<u>124,500</u>	<u>151,250</u>
OPERATING LOSS		<u>(4,528,386)</u>	<u>(6,245,361)</u>
PROFIT / (LOSS) BEFORE TAXATION		<u>(4,528,386)</u>	<u>(6,245,361)</u>
TAXATION	22	(613,371)	(1,034,915)
NET PROFIT / (LOSS) FOR THE YEAR		<u>(3,915,015)</u>	<u>(5,210,446)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS)		<u><u>(3,915,015)</u></u>	<u><u>(5,210,446)</u></u>
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	23	<u>(3.19)</u>	<u>(4.24)</u>



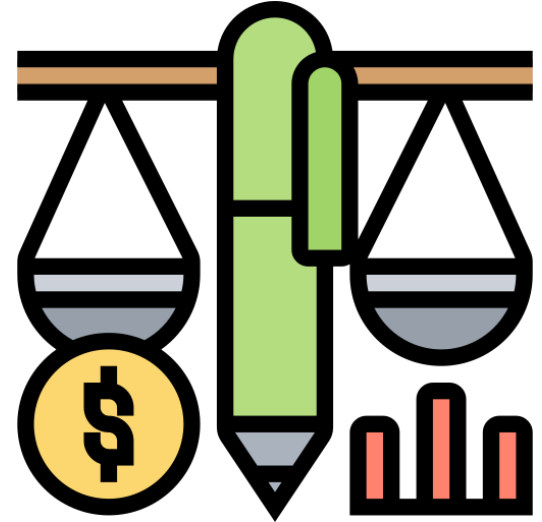
**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees --- Restated ---
CASH FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(4,528,386)	(6,245,361)
Adjustments for:		
Depreciation	10,193,581	11,099,062
Loss / (Gain) arising from changes in fair value of Livestock	1,317,724	(238,255)
Financial Expenses	3,784	1,207
Operating profit before working capital changes	6,986,703	4,616,653
(Increase)/Decrease in Operating Assets		
Inventory - Livestock	4,909,076	(210,745)
Inventory - Animal Feed	117,560	(32,690)
Rent Receivable	(23,040)	-
	11,990,299	4,373,218
Increase/(Decrease) in Operating Liabilities		
Trade and Other Payables	110,720	-
Cash generated from/(used in) operations	12,101,019	4,373,218
Financial Expenses	(3,784)	(1,207)
Tax deducted at source/Paid	(1,248,250)	(1,261,456)
Net Cash from/(used in) Operating Activities	10,848,985	3,110,555
CASH FROM INVESTING ACTIVITIES		
Expenditure on Bearer Plants	(14,450)	(58,000)
Purchase of Office Equipment	(70,240)	-
Net Cash from/(used in) Investing Activities	(84,690)	(58,000)
CASH FROM FINANCING ACTIVITIES		
Loan from Directors	(1,150,000)	(1,100,000)
Net Cash from/(used in) Financing Activities	(1,150,000)	(1,100,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,614,295	1,952,555
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,006,927	54,372
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11,621,222	2,006,927



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees --- Restated ---	2021 Rupees
NON CURRENT ASSETS				
Property, Plant and Equipment	5	952,750,359	962,873,700	973,972,762
Bearer Plants (Biological Assets)	6	72,450	58,000	-
Long Term Deposits		88,983	88,983	88,983
		<u>952,911,792</u>	<u>963,020,683</u>	<u>974,061,745</u>
CURRENT ASSETS				
Inventory - Livestock (Biological Assets)	7	1,663,200	7,890,000	7,441,000
Inventory - Animal Feed and Medicines		120,880	238,440	205,750
Stores and Spares	8	-	-	-
Advances and Other Receivables	9	23,617	1,247,000	1,200,000
Cash and Bank Balances	10	11,621,222	2,006,927	54,372
		13,428,919	11,382,367	8,901,122
		<u>966,340,711</u>	<u>974,403,050</u>	<u>982,962,867</u>
SHARE CAPITAL AND RESERVES				
Share Capital	11	12,275,030	12,275,030	12,275,030
		12,275,030	12,275,030	12,275,030
Capital Reserve				
Statutory Reserve		257,782	257,782	257,782
Revaluation Surplus on Property, Plant & Equipment	12	919,741,339	927,266,953	935,413,344
Revenue Reserve				
Accumulated Loss		(13,116,647)	(16,699,690)	(19,606,629)
		<u>919,157,504</u>	<u>923,100,075</u>	<u>928,339,527</u>
NON CURRENT LIABILITIES				
Loan from Shareholder / Director	13	16,500,757	16,500,757	-
Deferred Taxation	14	22,329,454	24,175,818	26,415,851
		38,830,211	40,676,575	26,415,851
CURRENT LIABILITIES				
Short Term Loan from Director	15	7,809,718	8,959,718	26,560,475
Trade and Other Payables	16	543,278	432,558	432,558
Provision for Taxation		-	1,234,124	1,214,456
		8,352,996	10,626,400	28,207,489
CONTINGENCIES AND COMMITMENTS				
	17			
		<u>966,340,711</u>	<u>974,403,050</u>	<u>982,962,867</u>



ASSET REVALUATION

- Completed through independent evaluator.
- The value of assets appreciated to Rs. 999 million in FY-2019.
- Comparatively the value of assets in FY-2018 was Rs. 428 million.
- Exercise of revaluation has proved the worth of the Company as economically viable.



GENERAL OUTLOOK

Challenges

- Massive devaluation of Pakistani Rupee has led to hyper inflation in the economy.
- Cost of petrol and diesel has risen significantly, which have increased costs.
- Massive increase in electrical tariff which has lead to a significantly higher cost of energy.
- This ever increasing inflation is driving the cost of inputs higher, causing increased expenses and profit reduction.
- Long term challenge due to banking litigation.



GENERAL OUTLOOK

Potential

- **Emphasis on improving the current operations of the Company.**
- **Focusing on enhancing the agricultural business.**
- **Management's goal is to increase financial streams and revenue.**
- **Company is located 4 kms from CPEC interchange, ideal for establishing new ventures.**
- **Management is working to defend the Company's interests in the High Court banking litigation.**
- **It is the BODs and Management's intention to revive the textile unit once litigation reaches finality and access to credit is restored.**





Thank you