

INTERIM FINANCIAL REPORT
For The Nine Months Ended
March 31, 2024

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. 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
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

Directors' Report

Dear Shareholders
Assalam-o-Alaikum,

The Board of Directors of your Company is pleased to present before you the Condensed Interim Financial Information (Un-Audited) for the Nine Months period ended on March 31, 2024. The Condensed interim financial Information has been prepared in compliance with IAS - 34 "Interim Financial Reporting" and the Companies Act, 2017.

Financial Highlights

	(Rupees in million)			
	Nine Months ended March 31, 2024	Nine Months ended March 31, 2023	Quarter ended March 31, 2024	Quarter ended March 31, 2023
- Other Income	-	-	-	-
- Profit/(Loss) after tax	(16.338)	(16.052)	(5.262)	(5.306)
- Depreciation	17.685	19.627	5.895	6.542
- Deferred Tax	(4.381)	(4.861)	(1.460)	(1.620)
- Cash Gain/(Loss)	(3.030)	(1.287)	(0.827)	(0.384)

The Company has incurred a comprehensive loss of Rs.16.338 million (Mar 2023: Rs.16.052) resulting in accumulated losses of Rs.398,950 million (30 Jun 2023: Rs.393.338 million) at the close of the nine month period ended 31 Mar 2024. As we are associated with the export sector and have availed government policies ensuring a regionally competitive energy rates since decades which the government had to end due to IMF. At the moment huge numbers of mills are shutdown at the moment proving that the sector is facing huge crises. It is not feasible to manufacture at rates of electricity costing around 19 cents where as our competitors are consuming energy at 7 cents. Government has time to time expressed its deepest concerns of fixing this problem. We expect that political stability will be seen which will then help us control all the above mentioned reasons.

Future Outlook / Strategy

The Current environment is very challenging. The situation has worsened due to political unrest, import restrictions, and an unchecked dollar increase. Furthermore with the weak current financial position of the government foreign reserves importing cotton too looks very difficult. We hope that a Change in Government Policies and facilitation to textile sector will bring fruitful results for the Company.

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:
Dated: 24th April, 2024

Directors' Report (Urdu)

مجلس نغماء کی رپورٹ

محترم حصص یافتگان،

السلام و علیکم

آپ کی کمپنی کی مجلس نغماء 31 مارچ 2024ء کو ختم ہونے والی نو ماہی کی مجموعی عبوری مالی معلومات (غیر جانچ شدہ) کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔ مجموعی عبوری مالی معلومات IAS-34 "عبوری مالیاتی رپورٹنگ" اور کنٹینر ایکٹ 2017 کی تعمیل میں تیار کی گئی ہیں۔

مالیاتی نتائج

31 مارچ 2023ء چھتئمہ سہ ماہی (روپے ملین میں)	31 مارچ 2024ء چھتئمہ سہ ماہی (روپے ملین میں)	31 مارچ 2023ء چھتئمہ نو ماہی (روپے ملین میں)	31 مارچ 2024ء چھتئمہ نو ماہی (روپے ملین میں)	
				دیگر آمدنی
(5.306)	(5.262)	(16.052)	(16.338)	بعد از ٹیکس (نقصان)/ منافع
6.542	5.895	19.627	17.685	قدر میں کمی
(1.620)	(1.460)	(4.861)	(4.381)	ماتوی ٹیکس
(0.384)	(0.827)	(1.287)	(3.030)	نقد (نقصان)/ منافع

کمپنی کو 31 مارچ 2024ء کو ختم ہونے والی نو ماہی کے اختتام پر 16.338 ملین روپے (مارچ 2023: 16.052 روپے) کا نقصان ہوا جس کے نتیجے میں 398,950 ملین روپے (30 جون 2023: 393,338 ملین روپے) کا مجموعی نقصان ہوا ہے۔ چونکہ ہم برآمدی شعبہ سے وابستہ ہیں اور ہائیوں سے علاقائی سطح پر مسابقتی توانائی کی شرح کو یقینی بنانے کے لئے حکومتی پالیسیوں سے فائدہ اٹھا رہے ہیں جسے حکومت کو آئی ایم ایف کی وجہ سے ختم کرنا پڑا۔ اس وقت بڑی تعداد میں ملز بند ہیں جس سے ثابت ہوتا ہے کہ یہ شعبہ بڑے بحرانوں کا سامنا کر رہا ہے۔ توانائی کی لاگت کی شرح تقریباً 19 سینٹ پر پیداوار ممکن نہیں ہے جبکہ ہمارے حریف 7 سینٹ پر توانائی استعمال کر رہے ہیں۔ حکومت نے وقتاً فوقتاً اس مسئلے کو حل کرنے کے لئے اپنی گہری تشویش کا اظہار کیا ہے۔ ہم امید کرتے ہیں کہ سیاسی استحکام آئے گا جس سے ہمیں مذکورہ بالا تمام وجوہات پر قابو پانے میں مدد ملے گی۔

مستقبل کا نقطہ نظر/ حکمت عملی

موجودہ ماحول بہت چیلنجنگ ہے۔ سیاسی بے چینی، درآمدی پابندیوں اور ڈالر کی قیمت میں بے تحاشہ اضافہ کی وجہ سے صورتحال مزید خراب ہو گئی ہے۔ مزید برآں حکومت کے زرمبادلہ کے ذخائر کی موجودہ کمزور مالی حالت کی وجہ سے کپاس درآمد کرنا بھی بہت مشکل نظر آتا ہے۔ ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور بینکسٹائل کے شعبہ کو سہولیات کی فراہمی کمپنی کے لئے مفید نتائج لائیں گی۔

اظہار تشکر

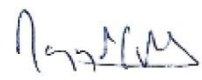
ہم اپنے تمام اسٹیک ہولڈرز خاص طور پر بینکرز کے ان کی مسلسل حمایت اور کمپنی کے ملازمین کے ان کے عزم اور سخت محنت کے لئے مشکور ہیں۔

منجانب بورڈ آف ڈائریکٹرز



میاں طاہر اقبال

ڈائریکٹر



میاں طیب اقبال

چیف ایگزیکٹو

لاہور: 24 اپریل 2024ء

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Notes	Un-Audited 31-Mar-24 (Rupees)	Audited 30-Jun-23 (Rupees)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 12,000,000 (30 June 2023: 12,000,000) ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid-up share capital	5	107,000,000	107,000,000
Accumulated loss		(398,950,997)	(393,338,815)
Surplus on revaluation of property, plant and equipment		231,415,786	242,141,894
		(60,535,211)	(44,196,921)
Non-current liabilities			
Long-term finances	6	169,525,785	169,039,785
Deferred liabilities		34,154,493	38,535,580
		203,680,278	207,575,365
Current liabilities			
Trade and other payables		78,119,749	75,819,989
Unclaimed Dividend		24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short-term borrowings	7	68,180,179	68,224,465
Income tax liability		108,034	108,034
		187,256,719	185,001,245
Contingencies and commitments		-	-
		330,401,786	348,379,689
ASSETS			
Non-current assets			
Property, plant and equipment	8	320,264,464	337,949,921
Long-term deposits		6,348,000	6,348,000
		326,612,464	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		209,073	501,519
		3,789,322	4,081,768
		330,401,786	348,379,689

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 PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE-MONTHS PERIOD ENDED 31 MARCH 2024

	Un-Audited		Un-Audited	
	Nine Months Ended		Quarter Ended	
	Note	31-Mar-24	31-Mar-23	31-Mar-24
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales	-	-	-	-
Cost of sales	-	-	-	-
Gross Loss	-	-	-	-
Other operating income	-	-	-	-
Other operating expenses				
Administrative and selling expenses	(3,029,962)	(1,286,531)	(827,630)	(383,640)
Other Operating Expenses	(17,685,459)	(19,627,147)	(5,895,153)	(6,542,384)
Finance cost	(3,955)	-	(291)	-
	(20,719,376)	(20,913,678)	(6,723,074)	(6,926,024)
Loss before taxation	(20,719,376)	(20,913,678)	(6,723,074)	(6,926,024)
Provision for taxation	4,381,087	4,861,306	1,460,362	1,620,435
(Loss)/profit after taxation	(16,338,289)	(16,052,372)	(5,262,712)	(5,305,589)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	(16,338,289)	(16,052,372)	(5,262,712)	(5,305,589)
Loss per share - basic and diluted	(1.53)	1.50	(0.49)	0.50

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 UBTERUN CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE-MONTHS PERIOD ENDED MARCH 31, 2024

	Un-Audited 31-Mar-24 (Rupees)	Un-Audited 31-Mar-23 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss	(20,719,376)	(20,913,678)
Add / (Less) Adjustment for non-cash items:		
Adjustment for depreciation on property, plant & equipment	17,685,459	19,627,147
Finance cost	3,955	-
	<u>17,689,414</u>	<u>19,627,147</u>
Operating profit / (loss) before working capital changes	(3,029,962)	(1,286,531)
Working capital changes		
Decrease / (increase) in current assets		
(Decrease) / Increase in trade and other payables	2,299,757	1,137,125
	<u>2,299,757</u>	<u>1,137,125</u>
Cash (used in) / generated from operations	(730,205)	(149,406)
Income taxes paid	-	(280,078)
Finance cost paid	(3,955)	-
Net cash (used in) operating activities	(734,160)	(429,484)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds (net) of long-term finances	486,000	-
(Repayments) / Proceeds (net) of short-term Borrowings	(44,286)	429,484
Net cash in / (out) flow from financing activities	441,714	429,484
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(292,446)	-
Cash and cash equivalents at beginning of the period	501,519	501,519
Cash and cash equivalents at end of the period	<u>209,073</u>	<u>501,519</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
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT MARCH 31, 2024

Particulars	Issued, subscribed and paid up share capital	Capital Reserve Revaluation surplus on property, plant and equipment	Revenue reserve- Accumulated Profits/(Loss)	Sub-Total	Total equity
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at June 30, 2022	107,000,000	258,010,985	(409,537,198)	(151,526,213)	(44,526,213)
Total comprehensive income/(loss)	-	-	(16,052,372)	(16,052,372)	(16,052,372)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(11,901,818)	11,901,818	-	-
Balance as at March 31, 2023	107,000,000	246,109,167	(413,687,752)	(167,578,585)	(60,578,585)
Total comprehensive income/(loss)	-	-	16,381,663	16,381,663	16,381,663
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(3,967,272)	3,967,272	-	-
Balance as at June 30, 2023	107,000,000	242,141,895	(393,338,817)	(151,196,922)	(44,196,922)
Total comprehensive income/(loss)	-	-	(16,338,289)	(16,338,289)	(16,338,289)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(10,726,109)	10,726,109	-	-
Balance as at March 31, 2024	107,000,000	231,415,786	(398,950,997)	(167,535,211)	(60,535,211)

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 NINE-MONTHS PERIOD ENDED MARCH 31, 2024

1 STATUS AND ACTIVITES

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. 16.338 million (Mar 2023: Rs. 16.052 million) resulting in accumulated losses at the end of the period of Rs. 398.950million (June 2023: Rs. 393.338 million). The Company's current liabilities exceed its current assets at reporting date by Rs. 183.467 million (June 2023: Rs. 180.919 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 2023.

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, 2023.

	Un-Audited 31-Mar-24 Rupees	Audited 30-Jun-23 Rupees
5 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, 2023: 10,000,000) ordinary shares of Rs.10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2023: 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>
6 LONG TERM FINANCES		
<i>From related parties (current and prior) - unsecured</i>		
6.01 Current and ex-directors	149,883,998	149,397,998
6.02 Previous associated undertakings	19,641,787	19,641,787
	<u>169,525,785</u>	<u>169,039,785</u>
6.01 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.		
6.02 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. This amount includes principal amount of Rs.13.440 million (June 2021: Rs.13.440 million) and mark-up accrued on said loans amounting to Rs.18.890 million (June 2021: Rs.18.890 million). Furtherance to same, 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. However, the management has taken steps to execute the settlement agreement after legal confirmation and through agreement dated 20 April 2021.		
7 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
7.1 Book overdraft - unsecured	-	44,286
	<u>68,180,179</u>	<u>68,224,465</u>
7.1 Book overdraft - unsecured		
This has arisen due to issuance of post-dated cheques in respect of balance in a bank account.		

	Un-Audited 31-Mar-24 Rupees	Audited 30-Jun-23 Rupees
8 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	337,949,920	364,119,448
Add: Addition during the period	-	-
Less: Depreciation	(17,685,459)	(29,169,528)
Book value as at period end	<u>320,264,461</u>	<u>337,949,920</u>


9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on April 24, 2024.

10 CORRESPONDING FIGURES

10.1 Corresponding 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

KSTML.COM

KHALID SIRAJ
TEXTILE MILLS LIMITED
135-Upper Mall,
Lahore, Pakistan.
Tel: +92 42 35761706-07