

INTERIM FINANCIAL REPORT
For the quarter ended
September 30, 2021

KHALID SIRAJ
Textile Mills Limited



LEFT BLANCK INTENTIONALY



Contents

Company Information	2
Directors' Report.....	3
Directors' Report (Urdu)	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Profit or Loss and other comprehensive Income	6
Condensed Interim Statement of Cash Flows.....	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Information	9

Company Information

Chief Executive Officer	-	Mian Tayyab Iqbal
Directors	-	Mian Iqbal Barkat
	-	Mian Hassan Barkat
	-	Mian Tahir Iqbal
	-	Mrs. Abida Iqbal
	-	Mrs. Rafia Hassan.
	-	Mrs. Rukhsana Arif.
Audit Committee		
Chairman	-	Mrs. Rukhsana Arif
Members	-	Mrs. Rafia Hassan.
	-	Mian Tahir Iqbal
HR Committee		
Chairman	-	Mian Tahir Iqbal
Members	-	Mian Hassan Barkat
	-	Mrs. Abida Iqbal
Company Secretary	-	Haji Tariq Samad
Auditors	-	Kamran & Co. Chartered Accountants A/2, Ingola Apartments, 24-Jail Road, Lahore.
Bankers	-	National Bank of Pakistan Dubai Islamic Bank Pakistan Limited Habib Metropolitan Bank Limited Silk Bank Pakistan Ltd 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, 2021 before you.

Financial Highlights

	Quarter ended September 30, 2021 (Rupees in million)	Quarter ended September 30, 2020 (Rupees in million)
- Other Operating income	6.600	-
- Loss/ Profit after tax	(3.155)	(7.358)
- Depreciation	7.385	5.941
- Cash Loss / Profit	4.230	(1.416)

During the 1st Quarter under review, Losses are Rs. (3.155) million compared to Rs. (7.358) million in the previous corresponding period. There have been uncertainties during the period, mainly due to abrupt devaluation, which resulted in an increase in inflation. After the receipt of financial assistance from friendly countries, foreign direct investment and the approval of bailout package by the IMF, it is expected that the economy now finds its way to towards gaining momentum.

Positive results are appearing after letting the Unit on lease. Current liabilities are 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 significant amount of rent is being applied on overhauling and replacement of plant and machinery. Once lease period will over, the unit will be running on optimum production capacity level.

The management of the company is determined and optimist to turn the unit as viable, operational and profitable in future. We hope that the 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.

For and on behalf of the Board


Mian Tayyab Iqbal
Chief Executive


Mian Tahir Iqbal
Director

Lahore:
Dated: 23rd November, 2021

Directors' Report (Urdu)

مجلس نظامہ کی رپورٹ

آپ کی کمپنی کی مجلس نظامہ، 30 ستمبر 2021ء کو ختم ہونے والی تہائی سہ ماہی کی مجموعی بیوری مالی معلومات (خیر جانچ شدہ) معیاری رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج

	30 ستمبر 2021ء ختم شدہ سہ ماہی (روپے ملین میں)	30 ستمبر 2020ء ختم شدہ سہ ماہی (روپے ملین میں)
دیگر آپریٹنگ آمدنی	6.600	-
بعد از ٹیکس (نقصان) / منافع	(3.155)	(7.358)
تقدیر میں کمی	7.385	5.941
نقد (نقصان) / منافع	4.230	(1.416)

زیر جائزہ تہائی سہ ماہی کے دوران، نقصانات (3.155) ملین روپے ہوئے جبکہ گزشتہ اسی مدت میں نقصانات (7.358) ملین روپے ہوئے۔ زیر جائزہ مدت کے دوران قدر میں اچانک کمی کی وجہ سے غیر یقینی کے نتیجے میں فراڈز میں اضافہ ہوا۔ دوست ممالک سے مالی مدد کی وصولی، براہ راست غیر ملکی سرمایہ کاری اور آئی ایم ایف سے تیل آؤٹ سٹیکنگ کی منظوری کے بعد، توقع ہے کہ معیشت اب ترقی کی راہ پر گامزن ہے۔

یونٹ کو لیز پر دینے کے بعد مثبت نتائج ظاہر ہو رہے ہیں۔ موجودہ واجبات کی واپس ادائیگی کا آغاز ہو گیا ہے اور جلد ہی کمپنی زیادہ لاگت بچانے اور زیادہ پیداواری یونٹ بننے کی منصوبہ پوزیشن میں ہوگی۔

مستقبل کا نظریہ / حکمت عملی

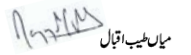
حصص یافتگان بخوبی واقف ہیں کہ کرایہ کی خاطر خواہ رقم پلمنٹ اور مشینری کی اور بانٹ اور تہہ بلی پر خرچ کی جارہی ہے۔ جب لیز مدت ختم ہو جائے گی، یونٹ زیادہ سے زیادہ پیداواری طاقتی لیول پر چل رہا ہوگا۔

کمپنی کی انتظامیہ مستقبل میں یونٹ کو فعال عمل، آپریشنل اور منافع بخش بنانے کے لیے پرمزور اور پرامید ہے۔ ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تہہ بلی اور ٹیکسٹائل سیکٹر میں سہولتیں کمپنی کے لیے مفید نتائج لائیں گی۔

اظہار تشکر

بورڈ اے پیسے تمام اسٹیک ہولڈرز خاص طور پر بینکاروں کے مسلسل تعاون اور کمپنی کے تمام ملازمین کی لگن اور سخت محنت کی تعریف کرتے ہوئے خوشی محسوس کرتا ہے۔

مخائبہ بورڈ آف ڈائریکٹرز


Mian Habib Iqbal
چیف ایگزیکٹو

لاہور، 23 نومبر 2021ء

KHALID SIRAJ TEXTILE MILLS LIMITED

 Condensed Interim Statement of Financial Position
 As at September 30, 2021

	Notes	Un-audited Sep 30, 2021 (Rupees)	Audited Jun 30, 2021 (Rupees)
Equity and liabilities			
Share capital and reserves			
Share capital			
Issued, subscribed and paid-up share capital	6	107,000,000	107,000,000
Capital reserves			
Revaluation surplus on property, plant and equipment		271,218,301	275,620,740
Revenue reserves			
Accumulated / unappropriated (loss) / profit		(422,712,378)	(427,555,823)
Total share capital and reserves		(44,494,077)	(44,935,083)
Liabilities			
Non-current			
Long term financing-secured	7	198,164,253	197,976,673
Long-term Security		40,000,000	36,000,000
Deferred tax and other liabilities		35,345,769	37,143,949
Total non-current liabilities		273,510,022	271,120,622
Current			
Trade and other payables		64,856,695	70,679,716
Interest / markup accrued on borrowings		16,790,575	16,790,575
Short term borrowings - banks and financial institutions	8	71,417,560	70,918,307
Unclaimed dividend		24,058,182	24,058,182
Total current liabilities		177,123,012	182,446,780
Total liabilities		450,633,034	453,567,402
Total equity and liabilities		406,138,957	408,632,319
Contingencies and commitments			
Assets			
Non-current			
Property, plant and equipment	9	390,729,272	393,164,214
Long term deposits		6,348,000	6,348,000
Long-term advances		-	-
Total Non-current assets		397,077,272	399,512,214
Current			
Stores, spare parts and loose tools		7,147,495	7,147,495
Trade debts		38,644	38,644
Trade deposits and prepayments		507,100	507,100
Tax refunds due from government		831,077	831,077
Cash and bank balances		537,369	595,789
Current assets		9,061,685	9,120,105
Total assets		406,138,957	408,632,319

The annexed notes from 1 to 13 form an integral part of this interim financial information.


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

Lahore

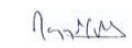
5

KHALID SIRAJ TEXTILE MILLS LIMITED

 Condensed Interim Statement of Profit or Loss and other comprehensive Income (un-audited)
 For the quarter ended September 30, 2021

	Note	For the quarter ended Sep 30, 2021 Rupees	For the quarter ended Sep 30, 2020 Rupees
Other Operating income			
Administrative and general expenses	10	6,600,000	-
Other operating expenses	11	(570,976)	(9,000)
Operating (loss) / profit		(7,384,942)	(5,941,372)
Finance cost		(1,355,918)	(5,950,372)
(Loss) / profit before taxation		(1,256)	-
Provision for taxation		(1,357,174)	(5,950,372)
(Loss) / profit after taxation		(1,798,180)	(1,407,426)
Other comprehensive income for the period			
Items that will not be reclassified to profit or loss:			
Incremental depreciation of surplus on revaluation of property, plant and equipment realized for the year (net of tax)			
		4,402,439	3,445,767
Other comprehensive income for the year (net of tax)		4,402,439	3,445,767
Total comprehensive income/(loss) for the period		1,247,085	(3,912,031)
Loss per share (basic and anti-dilutive)		(0.29)	(0.69)

The annexed notes from 1 to 13 form an integral part of this interim financial information.


 CHIEF EXECUTIVE
 Lahore


 DIRECTOR


 CHIEF FINANCIAL OFFICER

6

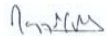
KHALID SIRAJ TEXTILE MILLS LIMITED

Condensed Interim Statement of Cash Flows (un-audited)

For the quarter ended September 30, 2021

Note	For the quarter ended Sep 30, 2021 Rupees	For the quarter ended Sep 30, 2020 Rupees
A Cash flow from operating activities		
Loss before taxation	(1,357,174)	(6,015,872)
Add / (Less): Adjustment for non-cash items:		
Depreciation on property, plant and equipment	7,384,942	5,941,372
Finance cost	1,256	-
	7,386,198	5,941,372
Operating profit/(loss) before working capital changes	6,029,024	(74,500)
Working capital changes		
(Increase) / Decrease in current assets	-	-
(Decrease)/increase in trade and other payables	(5,823,021)	74,500
	(5,823,021)	74,500
Net cash (used in) operations	206,003	-
Finance cost paid	(1,256)	-
Cash generated in operating activities	204,747	-
B Cash flow from investing activities		
Purchase of property, plant and equipment	(4,950,000)	-
Cash used in investing activities	(4,950,000)	-
C Cash flow from financing activities		
Proceeds from long-term finances - net	187,580	-
Increase of long-term Security	4,000,000	-
Proceeds from short-term borrowings	499,253	-
Cash generated in financing activities	4,686,833	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(58,420)	-
Cash and cash equivalents at beginning of the period	595,789	126,088
Cash and cash equivalents at end of the period	537,369	126,086

The annexed notes from 1 to 13 form an integral part of this interim financial information.


 CHIEF EXECUTIVE
 Lahore


 DIRECTOR


 CHIEF FINANCIAL OFFICER

7

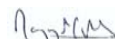
KHALID SIRAJ TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity (un-audited)

For the quarter ended September 30, 2021

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, 2020	107,000,000	204,452,935	(457,438,275)	(252,985,341)	(145,985,341)
Loss for the period	-	-	(7,357,798)	(7,357,798)	(7,357,798)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(7,357,798)	(7,357,798)	(7,357,798)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(3,445,767)	3,445,767	-	-
Balance as at September 30, 2020	107,000,000	201,007,168	(461,350,306)	(260,343,139)	(153,343,139)
Profit for the period	-	-	23,021,221	23,021,221	23,021,221
Other comprehensive income for the period	-	85,386,835	-	85,386,835	85,386,835
Total comprehensive income for the period	-	85,386,835	23,021,221	108,408,056	108,408,056
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(10,773,262)	10,773,262	-	-
Balance as at June 30, 2021	107,000,000	275,620,741	(427,555,823)	(151,935,083)	(44,935,083)
Loss for the period	-	-	(3,155,354)	(3,155,354)	(3,155,354)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(3,155,354)	(3,155,354)	(3,155,354)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(4,402,439)	4,402,439	-	-
Balance as at September 30, 2021	107,000,000	271,218,302	(426,308,738)	(155,090,437)	(48,090,437)

The annexed notes from 1 to 13 form an integral part of this interim financial information.


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

8

KHALID SIRAJ TEXTILE MILLS LIMITED

Notes to the Condensed Interim Financial Information (un-audited)

For the quarter ended September 30, 2021

1 General information and nature of operations

The Company was incorporated in Pakistan on January 17, 1988 as Public Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchanges. 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 have 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, 2021.

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, 2021.

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 effect 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, 2021.

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, 2021.

6 Share capital

Authorized share capital

	(Un-Audited) Sep 30, 2021	(Audited) Jun 30, 2021
	----- (Rupees) -----	
12,000,000 (30 June 2021: 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 2021: 10,000,000) ordinary shares of Rs. 10 each fully paid in cash	100,000,000	100,000,000
700,000 (30 June 2021: 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

	(Un-Audited) Sep 30, 2021	(Audited) Jun 30, 2021
	----- (Rupees) -----	

7 Long term financing

7.01 Sponsors	30,400,000	30,400,000
7.02 Current and ex-directors	148,122,466	147,934,886
7.03 Previous associated undertakings	19,641,787	19,641,787
	<u>198,164,253</u>	<u>197,976,673</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. However, the management has taken steps to execute the settlement agreement after obtaining legal confirmation and through agreement dated 20 April, 2021 and effects to that extent are reflected in the financial statements.

8 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
8.01 Book overdraft - unsecured	3,237,381	2,738,128
	<u>71,417,560</u>	<u>70,918,307</u>

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	393,164,214	414,298,743
Addition during the period	4,950,000	3,300,000
	4,950,000	3,300,000
Depreciation for the period	7,384,942	24,434,529
	7,384,942	24,434,529
Closing book value	<u>390,729,271</u>	<u>393,164,214</u>

	(Un-Audited) Sep 30, 2021	(Audited) Sep 30, 2020
	----- (Rupees) -----	

10 Other Operating income

10.01 Rental income	6,600,000	-
	<u>6,600,000</u>	<u>-</u>

10.01 Rental income

The Company has temporarily leased out its plant and machinery to ASM Industries Private Limited to tide over the financial constraints. This income represents the rentals received from that Company.

11 Cost of sale

Since there is no sales during this period, therefore depreciation and factory repairs amounting **Rs. 7.38** million has been classified into other operating expenses.

12 General

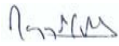
12.01 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

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.

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

13 Date of authorization for issue

This condensed financial information was approved by the Board of Directors and authorised for issue on **November 23, 2021**.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

KSTML.COM

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