

INTERIM FINANCIAL REPORT

For the quarter ended
September 30, 2020

KHALID SIRAJ

Textile Mills Limited



This Page intentionally left blank

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 before you the Condensed Interim Financial Information (Un-Audited) for the 1st quarter ended September 2020. The Condensed interim financial Information has been prepared in compliance with IAS – 34 "Interim Financial Reporting" and the Companies Act, 2017.

Financial Highlights

	Quarter ended September 30, 2020 (Rupees in million)	Quarter ended September 30, 2019 (Rupees in million)
– Loss/ Profit after tax	(7.358)	(6.682)
– Depreciation	5.941	6.594
– Cash Loss / Profit	(1.416)	(0.088)


Today the entire world, and our country also, has been affected by COVID-19. Its devastating impact on our daily life including the economy is now evident and future appears to be challenging. We are unable at this time to assess how prevailing situation will impact the Company's operation to start. We have tried to restart business but unfortunately, market and government policies don't support textile sector in a proficient way, resulting in heavy losses. Further, Government has imposed increased rate of electricity Units, which burdened heavy cost in business operations.

Future Outlook / Strategy

The future of the Company mainly depends on the future of textile sector in Pakistan. Meanwhile the management has been working on lease options whereas we have also been looking for other best possible and workable business options simultaneously. The sponsors and the management have faith and belief in the textile business.

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: 27th October, 2020

Directors' Report (Urdu)

مجلس نفعاء کی رپورٹ

آپ کی کمپنی کی مجلس نفعاء 30 ستمبر 2020ء کو ختم ہونے والی پہلی سرمایہ کی مجموعی عبوری مالی معلومات (غیر جانچ شدہ) پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ مجموعی عبوری مالی معلومات IAS-34 "عبوری مالی رپورٹنگ" اوکھنڈا ایکٹ 2017 کی قیام میں تیار کی گئی ہیں۔

مالیاتی نتائج

30 ستمبر 2019ء مختصر سرمایہ (روپے ملین میں)	30 ستمبر 2020ء مختصر سرمایہ (روپے ملین میں)	
(6.682)	(7.358)	بعد از ٹیکس (نقصان) / منافع
6.594	5.941	قدر میں کمی
(0.088)	(1.416)	نقد (نقصان) / منافع

آج پوری دنیا اور ہمارا ملک بھی COVID-19 سے متاثر ہوا ہے۔ معیشت سمیت ہماری روزمرہ کی زندگی پر اس کے تباہ کن اثرات مرتب ہوئے ہیں اور مستقبل چیلنجنگ لگتا ہے۔ ہم فی الحال یہ اندازہ لگانے سے قاصر ہیں کہ موجودہ صورتحال کمپنی کے آپریشنز شروع کرنے پر کس طرح اثر انداز ہوگی۔ ہم نے کاروبار کو دوبارہ شروع کرنے کی کوشش کی لیکن بد قسمتی سے، مارکیٹ اور حکومت کی پالیسیاں نفع بخش انداز میں ٹیکسٹائل شعبہ کی معاون نہیں ہیں، جس کے نتیجے میں ہماری نقصانات ہوئے۔ مزید یہ کہ حکومت نے نکلی کے پونف کی قیمتوں میں اضافہ کر دیا ہے، جس سے کاروباری آپریشنز کے اخراجات میں اضافی بوجھ پڑا ہے۔

مستقبل کا نقطہ نظر / حکمت عملی

کمپنی کا مستقبل بنیادی طور پر پاکستان میں ٹیکسٹائل شعبہ کے مستقبل پر انحصار کرتا ہے۔ اسی اثناء میں انتظامیہ لیز آپشنز پر کام کر رہی ہے جبکہ ہم دیگر بہترین ممکن اور ورک ایبل بزنس آپشنز کی بھی تلاش کر رہے ہیں۔ اسپانسرز اور انتظامیہ ٹیکسٹائل کے کاروبار پر اعتماد اور یقین رکھتے ہیں۔

اظہار تشکر

بورڈ اپنے بینکاروں کے مسلسل تعاون اور کمپنی کے تمام ملازمین کی لگن اور سخت محنت کی تعریف کرتے ہوئے خوشی محسوس کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز



میاں حبیب اقبال

چیف ایگزیکٹو آفیسر

لاہور، 27 اکتوبر 2020ء

Condensed Interim Statement of Financial Position
As at September 30, 2020

	Notes	Un-audited Sep 30, 2020 (Rupees)	Audited Jun 30, 2019 (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		201,007,167	204,452,934
Revenue reserves			
Accumulated / unappropriated (loss) / profit		(458,600,954)	(457,438,275)
Total share capital and reserves		(150,593,787)	(145,985,341)
Liabilities			
Non-current			
Long term financing-secured	7	226,769,487	226,769,487
Deferred tax and other liabilities		32,958,681	34,366,107
Total non-current liabilities		259,728,168	261,135,594
Current			
Trade and other payables		113,505,217	113,430,717
Interest /markup accrued on borrowings		16,790,575	16,790,575
Short term borrowings - banks and financial institutions	8	68,180,179	68,180,179
Unclaimed dividend		24,058,182	24,058,182
Total current liabilities		222,534,153	222,459,653
Total liabilities		482,262,321	483,595,247
Total equity and liabilities		331,668,534	337,609,906
Contingencies and commitments			
Assets			
Non-current			
Property, plant and equipment	9	301,236,124	307,177,496
Long term deposits		2,001,000	2,001,000
Long-term advances		15,650,727	15,650,727
Total Non-current assets		318,887,851	324,829,223
Current			
Stores, spare parts and loose tools		12,147,495	12,147,495
Trade deposits and prepayments		507,100	507,100
Cash and bank balances		126,088	126,088
Total current assets		12,780,683	12,780,683
Total assets		331,668,534	337,609,906

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Lahore


KHALID SIRAJ TEXTILE MILLS LIMITED

Condensed Interim Statement of Profit or Loss and other comprehensive Income (un-audited)

For the quarter ended September 30, 2020

		For the quarter ended Sep 30, 2020	For the quarter ended Sep 30, 2019
	Note	Rupees	Rupees
Other Operating income		-	-
Administrative and general expenses		(9,000)	(88,035)
Other operating expenses	10	(5,941,372)	(6,594,661)
Operating (loss) / profit		(5,950,372)	(6,682,696)
Finance cost		-	-
(Loss) / profit before taxation		(5,950,372)	(6,682,696)
Provision for taxation		(1,407,426)	-
(Loss) / profit after taxation		(7,357,798)	(6,682,696)
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)		3,445,767	3,769,895
Other comprehensive income for the year (net of tax)		3,445,767	3,769,895
Total comprehensive loss for the period		(3,912,031)	(2,912,801)
Loss per share (basic and anti-dilutive)		(0.69)	(0.62)

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


CHIEF EXECUTIVE

Lahore


DIRECTOR


CHIEF FINANCIAL OFFICER

KHALID SIRAJ TEXTILE MILLS LIMITED**Condensed Interim Statement of Cash Flows (un-audited)**

For the quarter ended September 30, 2020

	Note	For the quarter ended Sep 30, 2020 Rupees	For the quarter ended Sep 30, 2019 Rupees
Cash flow from operating activities			
Loss before taxation		(6,015,872)	(6,682,696)
Add / (Less): Adjustment for non-cash items:			
Depreciation on property, plant and equipment		5,941,372	6,594,661
		5,941,372	6,594,661
Operating profit/(loss) before working capital changes		(74,500)	(88,035)
Working capital changes			
(Increase) / Decrease in current assets		-	-
(Decrease)/increase in trade and other payables		74,500	-
		74,500	-
Net cash (used in) operations		-	(88,035)
Finance cost paid		-	-
Net cash (used in) operating activities		-	(88,035)
Net (decrease)/increase in cash and cash equivalents		-	(88,035)
Cash and cash equivalents at beginning of the period		126,088	126,088
Cash and cash equivalents at end of the period		126,088	38,051

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


CHIEF EXECUTIVE

Lahore

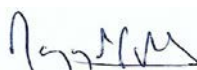

DIRECTOR
CHIEF FINANCIAL OFFICER

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

For the quarter ended September 30, 2020

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				
	<i>Rupees</i> <i>A</i>	<i>Rupees</i> <i>B</i>	<i>Rupees</i> <i>C</i>	<i>Rupees</i> <i>D=B+C</i>	<i>Rupees</i> <i>E=A+D</i>
Balance as at June 30, 2019	107,000,000	219,747,945	(452,411,463)	(232,663,519)	(125,663,519)
Loss for the period	-	-	(6,682,696)	(6,682,696)	(6,682,696)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(6,682,696)	(6,682,696)	(6,682,696)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(3,769,895)	3,769,895	-	-
Balance as at September 30, 2019	107,000,000	215,978,050	(455,324,264)	(239,346,215)	(132,346,215)
Loss for the period	-	-	(13,639,126)	(13,639,126)	(13,639,126)
Obtained during the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(13,639,126)	(13,639,126)	(13,639,126)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(11,525,115)	11,525,115	-	-
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)
Obtained during the period	-	-	-	-	-
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)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

KHALID SIRAJ TEXTILE MILLS LIMITED

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

For the quarter ended September 30, 2020

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, 2020.

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, 2020.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2020, 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, 2020.

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, 2020.

6 Share capital

Authorized share capital

12,000,000 (June 30, 2020: 12,000,000) ordinary shares of Rs. 10/- each

(Un-Audited)	(Audited)
Sep 30, 2020	Jun 30, 2019

----- (Rupees) -----

Total

120,000,000	120,000,000
120,000,000	120,000,000

Issued, subscribed and paid-up share capital

10,000,000 (30 June 2020: 10,000,000) ordinary shares of Rs. 10 each fully paid in cash

100,000,000	100,000,000
--------------------	-------------

700,000 (30 June 2020: 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, 2020	(Audited) Jun 30, 2019
	----- (Rupees) -----	
7 Long term financing		
7.01 Sponsors	30,400,000	30,400,000
7.02 Current and ex-directors	164,039,689	164,039,689
7.03 Previous associated undertakings	32,329,798	32,329,798
	<u>226,769,487</u>	<u>226,769,487</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 now have been allocated by the Honorable Lahore High Court, Lahore to other families of ex-Ittefaq Group. The matter is still pending adjudication.

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
	<u>68,180,179</u>	<u>68,180,179</u>

9 Property, plant and equipment

Opening written down value	307,177,496	333,556,140
Addition during the period	-	-
Depreciation for the period	5,941,372	26,378,644
	<u>5,941,372</u>	<u>26,378,644</u>
Closing book value	<u>301,236,123</u>	<u>307,177,496</u>

10 Cost of sale

Since there is no sales during this period, therefore depreciation and factory repairs amounting **Rs. 5.94** million has been classified into administrative and general expenses.

11 General

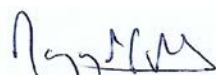
11.01 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

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.

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 authorised for issue on **October 27, 2020**.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

www.jamapunji.pk

 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ

Welcome to
8181



**An informed
investor is a “safe”
investor**

**Stay informed, invest
wisely.**

**SECP SMS* verification
service offers:**

-  **Company verification**
SMS <incorporation ID> to 8181
-  **License verification**
SMS LV<space><incorporation ID>
to 8181
-  **Agent verification**
SMS <Agent ID> to 8181
-  **Modaraba verification**
SMS MV<space><Modaraba
authorization ID> to 8181

Never invest in unregistered and unlicensed entity, it's risky

Value Added Services:

-  Saving & Investment Quotes
-  Regulatory & Enforcement Actions
taken by SECP
-  Event Notification
-  Scams Alerts

To subscribe; SMS sub to 8181

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

*Regular SMS Rates will be applicable



KSTML.COM



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