



# KHALID SIRAJ TEXTILE MILLS LIMITED

135-UPPER MALL, LAHORE

Tel: +92-42-35761706, Fax: +92-42-35761708

Email: [kstml@barkatex.com](mailto:kstml@barkatex.com)

Website: [www.kstml.com](http://www.kstml.com)

Ref: 2021/08/003

August 16, 2021

**Mr. Hafiz Maqsood Munshi**

Manager,

Companies & Securities Compliance-RAD,

Pakistan Stock Exchange Limited,

Stock Exchange Road,

**Karachi.**

Subject: **Progress Report Under Section 5.11.2. (b) of PSX Regulations**

Dear Sir,

In compliance of the captioned PSX regulation, we submit the progress report of the company hereunder:

Initially, after the utmost effort of the sponsors and directors, the management was unable to restore its operations due to commensurate with the macro-economic and socio political situation of the country, the Company decided to explore other suitable opportunities requiring relatively lesser amount of working capital with approval of shareholders.

Furthermore, country wide lockdown due to covid-19 was a big restraint in implementation of business opportunity. However, Pursuant to the authority of the special resolution passed by the shareholders in the extraordinary general meeting held on 30 April, 2021:

1. The Company has been lease out to M/s ASM Industries (Private) Limited for Three (3) years on rental amount of **Rs 2.20 Million** per month with annual increment of 10%. (Lease agreement already shared with authorities.)
2. Initial investment of **Rs. 22.117 Million** was required to restore Unit in operation that been invested by Licensee, and will be recovered in a year, by monthly deduction of 75% from rental amount.
3. The Company has paid back its outstanding liability of electricity bill amounting to **Rs. 22.186 Million** that results in restoration of power supply to the unit.
4. The projected Financial Statements of Company is shared in attachment. That represents enhanced financial position of the Company after being paid financial institutions and gaining beneficial return to shareholders.
5. Outstanding dues of corporate departments (SECP, PSX) are being released.

28/8/21



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In the light of above, we expect your usual support and corporation to bring the Company back to normal trading counter. That is principal right of shareholders.

We hereby kindly request, that the name of the Company be removed from the defaulter counter along with unfreezing suspension of trading in the shares of the Company. We shall regularly appraise the Exchange for any significant development in the monthly progress report going forward.

Thanking You

  
(Haji Tariq Samad)  
Company Secretary

Copy to:

The Director (CSD) – SECP

The Acting Chief Regulatory Officer – PSX.



# KHALID SIRAJ TEXTILE MILLS LIMITED



## BUSINESS PLAN

May 2021

**Head Office:**

135-Upper Mall, Lahore, Pakistan.  
Tel: +92-42-35761706-07, Fax: +92-42-35761708  
Email: [kstml@barkatex.com](mailto:kstml@barkatex.com) Website: [www.kstml.com](http://www.kstml.com)

**Mills:**

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

# **SAMIN TEXTILES LIMITED**

## **BUISNESS PLAN**

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(iii)	Projected Profit & Loss Account		Annex "FP-C"
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**BUSINESS PLAN**

**OF**

**KHALID SIRAJ TEXTILE  
MILLS LIMITED**

**THE PROJECT**

**SECTION 1**

# **KHALID SIRAJ TEXTILE MILLS LIMITED**

## **BUSINESS PLAN**

### **SECTION 01: THE PROJECT**

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1. Khalid Siraj Textile Mills Limited (the "Company") was incorporated in Pakistan as a public limited company on 17 January 1988 under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore Stock Exchanges in Pakistan.

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.

### **DESCRIPTION OF THE PROJECT**

2. The Company has explored various options for its revival by reorganizing its business and diverting its existing resources for financial viable activities. In terms of section 26 of the new Companies Act, 2017, the Company can undertake any lawful business activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities. The said provision also provides that if principal line of business is changed, the Company shall report the same to the Registrar, SECP within 30 days from the date of change. The management has come up with this Business Plan after due deliberation which will add value to the shareholders of the Company.

3. As part of this plan, the management has approved the lease/rental Proposal of the Company located at 48-KM, Lahore-Multan Road, Phool Nagar (Bhai Pheru), District Kasur. And to utilize the proceeds thereof for settlement of the liabilities of the Company and to apply the remaining funds towards the investment in repair and maintenance of Plant & Machinery recommended by the Board of Directors, subject to approval of the Company's members in Extraordinary General Meeting.

4. Pursuant to the authority of the special resolution passed by the shareholders in the extraordinary general meeting held on 30 April, 2021, the Company has been lease out to M/s ASM Industries (Private) Limited for Three (3) years on rental amount of Rs 2.20 Million per month, of which 75% of rental amount will be deducted by licensee against initial investment incurred by the licensee to restore the machinery of Unit into operation. The lessee will pay whole rent with annual increment of 10% for the year.

5. The Company plans for utilization of the proceeds to redeem the bank borrowings partially and settle the other liabilities of the Company as recommended by the Board of Directors of the Company.

### **PROJECT COST AND SOURCE OF FINANCE**

6. The Company was facing liquidity cash crunch from years. That was main obstacles to get project in running condition. It requires about Rs.22.0Millions to restore operation of the project. According to current proposal, the investor agrees to invest initial amount to get project running, that will be deducted 75% from his monthly rent.

### **FINANCIAL PROJECTIONS**

7. The next sections contain the Financial Projections.



**BUSINESS PLAN**

**OF**

**KHALID SIRAJ TEXTILE  
MILLS LIMITED**

**FINANCIAL PROJECTIONS**

**SECTION 02**

# KHALID SIRAJ TEXTILE MILLS LIMITED

## BUSINESS PLAN

### SECTION 02: FINANCIAL PROJECTIONS

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Annex "FP-A"

#### KEY ASSUMPTIONS USED IN THE FINANCIAL PROJECTIONS

- 1.1. Financial projections have been prepared for the period of five years from financial year 2020-21 to 2024-25.
- 1.2. Financial projections including projected profit and loss account, projected balance sheet, projected cash flow statement and details are attached.

#### AUTHORIZED SHARE CAPITAL

2. The Company has authorized share capital of PKR 120 million consisting of 12,000,000 ordinary shares of Rupees 10 each as on 30 June 2020. There is no increase in authorized share capital during projected financial years.

#### ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

3. The Company has issued, subscribed and paid up share capital of PKR 107,000,000 consisting of 10,700,000 ordinary shares of Rupees 10 each as on 30 June 2020. Further issue of capital is not required in future years.

#### TRADE AND OTHER PAYABLES

4. For the purpose of these financial projections, we have assumed trade and other payables equal to 30 days of annual expenses excluding depreciation.

#### LOAN FROM SPONSOR

5. For the purpose of these financial projections, we have assumed liabilities against loan from sponsors will be paid from funds generated after paying trade payables and short term borrowings – Running Finance over the projected financial years.

#### OPERATING FIXED ASSETS

6. We have assumed that the Company will enhance its operating fixed assets by Rupees 22.117 million during the next two financial years 2020-21 and 2021-22.

#### LONG TERM SECURITY DEPOSIT

7. For the purpose of these financial projections, we have assumed that security deposit Rupees 14.420 million will remain same.



## **KHALID SIRAJ TEXTILE MILLS LIMITED**

### **BUSINESS PLAN**

#### **SECTION 02: FINANCIAL PROJECTIONS**

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##### **STORES, SPARES AND LOOSE TOOLS**

8. For the purpose of these financial projections, we have assumed stores, spares and loose tools at Rupees 12.147 million will be consumed in normal course of business.

##### **TRADE DEBTS**

9. For the purpose of these financial projections, we have assumed trade debts equal to 30 credit days of annual total revenue.

##### **LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

10. For the purpose of these financial projections, we have assumed that loans, advances, deposits, prepayments and other receivables will be 2% of total expenditure excluding depreciation.

##### **CASH AND BANKS**

11. Cash and bank balances have been taken as balancing figure in the financial projections.

##### **COST OF SALES**

##### **SALARIES AND WAGES**

12. For the purpose of these financial projections, we have assumed that Salaries and wages will be Rupees 1.252 million in FY 2021-22 and have been increased in line with expected rate of increments i.e 10% p.a over the projected financial years. The basis of the salaries and wages is given as Annex "FP-C-1-1" with this report.

##### **DIVIDEND**

13. For the purpose of these financial projections and keeping in view the patience of shareholders, the management's utmost priority is the benefit of shareholders, that's why The Company preferred to issue dividend in almost every projected coming years.

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**PROJECTED BALANCE SHEET AS ON**

(-----Rupees in 000'-----)

218,110

2005, 2007	2001, 2002	2003, 2004
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
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100	100	100

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10,979

- 507

11,600

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65,470

16/91

24,058  
19,995

48,295

Year	1985	1990	1995
1985	1985	1990	1995

(143,014)

92,148

1000

226,769

20,004	22,333	11,134
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(142,593)

107 000

107,000

141 200  
(390,893)

COI	OTC	OTC
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Actual	Year 1	Year 2	Year 3	Year 4	Year 5
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(-----Rupees in "000"-----)					
307,177	285,639	280,100	257,692	237,076	218,110
17,652	17,652	17,652	17,652	17,652	17,652
324,829	303,291	297,751	275,343	254,728	235,762
12,147	12,065	11,871	11,621	11,330	10,977
-	-	-	-	-	-
507	507	507	507	507	507
-	-	-	-	-	-
126	122	125	139	114	114
12,781	12,694	12,503	12,267	11,951	11,600
113,431	113,531	111,051	93,054	79,434	65,470
16,791	16,791	16,791	16,791	16,791	16,791
24,058	24,058	24,058	24,058	24,058	24,058
68,180	68,180	68,180	64,602	56,780	48,295
-	-	-	-	-	-
222,460	222,560	220,080	198,504	177,063	154,614
(209,679)	(209,866)	(207,577)	(186,237)	(165,112)	(143,014)
115,150	93,425	90,175	89,106	89,616	92,748
226,769	226,769	226,769	226,769	226,769	226,769
34,366	28,604	22,953	17,754	12,972	8,571
(145,985)	(161,948)	(159,548)	(155,418)	(150,125)	(142,593)
107,000	107,000	107,000	107,000	107,000	107,000
(457,438)	(459,293)	(443,058)	(426,200)	(409,198)	(390,893)
204,453	190,345	176,510	163,783	152,073	141,300
(145,985)	(161,948)	(159,548)	(155,418)	(150,125)	(142,593)

**KHALID SIRAJ TEXTILE MILLS LIMITED**

**PROJECTED PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED**

[illegible]

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**PROJECTED CASH FLOW STATEMENT FOR THE YEAR**

Actual	Year 1	Year 2	Year 3	Year 4	Year 5
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(-----Rupees in "000"-----)					

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit / (loss) before Tax	(26,623)	(21,674)	(250)	3,824	7,607	12,116
Depreciation on property, plant and equipment	26,379	24,838	24,357	22,408	20,615	18,966
Finance cost	-	-	-	-	-	-
<b>Cash inflow from operating activities before working capital changes</b>	(244)	3,164	24,107	26,232	28,223	31,083

**Adjustment for working capital changes:**

(Increase)/decrease in current assets:

Stores and spares	-	83	194	251	290	351
Stock in trade	-	-	-	-	-	-
Increase/(decrease) in current liabilities:	-	-	-	-	-	-
Trade and other payables	124	101	(2,480)	(17,997)	(13,620)	(13,964)
Current portion of long term loan	-	-	-	-	-	-

<b>Net changes in working capital</b>	124	183	(2,286)	(17,746)	(13,330)	(13,612)
<b>Cash generated from / (used in) from operation</b>	(120)	3,347	21,820	8,485	14,893	17,470

Income taxes paid	-	(51)	(326)	(1,147)	(2,282)	(3,635)
Gratuity paid	-	-	-	-	-	-
	-	(51)	(326)	(1,147)	(2,282)	(3,635)

<b>Net cash generated / (used in) from operating activities</b>	(120)	3,296	21,495	7,338	12,611	13,835
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**Cash flows from investing activities**

Purchase of Property, Plant and Equipment	-	(3,300)	(18,817)	-	-	-
Short Term Investment	-	-	-	-	-	-
<b>Net cash generated / (used in) investing activities</b>	-	(3,300)	(18,817)	-	-	-

**Cash flows from financing activities**

Issued subscribed and paid up capital	-	-	-	-	-	-
(Decrease) in short term borrowings	-	-	-	(3,578)	(7,822)	(8,485)
Finance cost paid	-	-	-	-	-	-
Dividend paid	-	-	(2,675)	(3,745)	(4,815)	(5,350)
<b>Net cash generated/(used in) from financing activities</b>	-	-	(2,675)	(7,323)	(12,637)	(13,835)

<b>Net increase / (decrease) in cash and cash equivalent</b>	(120)	(4)	3	15	(26)	0
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Cash and cash equivalents at the beginning of the year	246	126	122	125	139	114
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<b>Cash and cash equivalents at the end of the year</b>	126	122	125	139	114	114
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KHALID SIRAJ TEXTILE MILLS LIMITED

PROJECTED REVENUE					
Actual	Year 1	Year 2	Year 3	Year 4	Year 5
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(-----Rupees in "000"-----)					

Other Income

-	4,400	26,840	29,524	33,009	36,310
-	4,400	26,840	29,524	33,009	36,310
-	(300)	(800)	-	-	-
-	4,100	26,040	29,524	33,009	36,310

Rate of Increase:

Annual Increase

10%	10%	10%	10%
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**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**PROJECTED COST OF GOODS SOLD**

Actual	Year 1	Year 2	Year 3	Year 4	Year 5
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
-----Rupees in "000"-----)					

**ADMINISTRATIVE EXPENSES**

Salaries, wages and other benefits  
Office rent  
Repair and maintenance  
Insurance  
Printing and stationery  
Communication  
Staff welfare / Entertainment  
Fee and subscription  
Miscellaneous

-	288	1,253	2,578	4,036	4,439
-	-	-	-	-	-
-	24	25	26	28	29
-	-	-	-	-	-
85	12	13	13	14	15
-	48	50	53	56	58
19	24	25	26	28	29
136	492	517	542	570	598
4	48	50	53	56	58
244	936	1,933	3,293	4,786	5,227

**OTHER OPERATING EXPENSES**

Donations  
Depreciation  
Foreign currency translation differences-net

-	-	-	-	-	-
26,379	24,838	24,357	22,408	20,615	18,966
-	-	-	-	-	-
26,379	24,838	24,357	22,408	20,615	18,966

**TAXATION**

Current  
Prior period

(6,301)	(5,711)	(5,325)	(4,052)	(2,501)	(765)
-	-	-	-	-	-
(6,301)	(5,711)	(5,325)	(4,052)	(2,501)	(765)

KHALID SIRAJ TEXTILE MILLS LIMITED  
PROJECTED LOAN FROM SPONSORS

Year 1	Year 2	Year 3	Year 4	Year 5
2020-21	2021-22	2022-23	2023-24	2024-25

(-----Rupees in "000"-----)

Salaries & Wages  
Directors Salary  
Marketing Department  
Administration Department  
Accounts Department

-	-	1,200	2,520	2,772
-	-	-	-	-
-	936	1,030	1,133	1,246
288	317	348	383	422
288	1,253	2,578	4,036	4,439

Rate of Increase

10%
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**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**PROPERTY, PLANT AND EQUIPMENT**

Actual	Year 1	Year 2	Year 3	Year 4	Year 5
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(Rupees in "000")					

**Property, plant and equipment**

Net of Book Value	333,556,140	307,177,496	285,639,296	280,099,746	257,691,766	237,076,425
Addition/ (Deletion)	-	3,300,000	18,816,950	-	-	-
Total	333,556,140	310,477,496	304,456,246	280,099,746	257,691,766	237,076,425
Depreciation	26,378,644	24,838,200	24,356,500	22,407,980	20,615,341	18,966,114
Closing Balance	307,177,496	285,639,296	280,099,746	257,691,766	237,076,425	218,110,311

**SURPLUS ON REVALUATION OF FIXED ASSETS**

Opening balance:	219,747,944	204,452,934	190,344,836	176,510,344	163,782,611	152,073,097
Less: Amount of incremental depreciation charged	21,542,267	19,870,560	19,485,200	17,926,384	16,492,273	15,172,891
Add: Reversal of taxable temporary differences	(6,247,257)	(5,762,462)	(5,650,708)	(5,198,651)	(4,782,759)	(4,400,138)
	15,295,010	14,108,098	13,834,492	12,727,733	11,709,514	10,772,753
Closing Balance	204,452,934	190,344,836	176,510,344	163,782,611	152,073,097	141,300,344

**KHALID SIRAJ TEXTILE MILLS LIMITED**  
**Calculation of Taxable Income & Computation of Tax Liability Thereon**

	Year 1	Year 2	Year 3	Year 4	Year 5
	2020-21	2021-22	2022-23	2023-24	2024-25
	(-----Rupees in "000"-----)				
Turnover	4,400	26,840	29,524	33,009	36,310
Fee, commission and brokerage income	(300)	(800)	-	-	-
<b>Total turnover for the year</b>	<b>4,100</b>	<b>26,040</b>	<b>29,524</b>	<b>33,009</b>	<b>36,310</b>
<b>Minimum Tax Liability @ 1.25%</b>	<b>A 51</b>	<b>326</b>	<b>369</b>	<b>413</b>	<b>454</b>
Taxable Profit/(Loss) for the year	(21,674)	(250)	3,824	7,607	12,116
<b>Normal Tax @ 30%</b>	<b>B (6,502)</b>	<b>(75)</b>	<b>1,147</b>	<b>2,282</b>	<b>3,635</b>
<b>Provision for the Tax (Higher of A &amp; B)</b>	<b>51</b>	<b>326</b>	<b>1,147</b>	<b>2,282</b>	<b>3,635</b>

# **Khalid Siraj Textile Mills Limited**

## **Detail of Investment return Back**

Sr. No.	Months	Lease Rental	Investment Payback	Initial Investment	Balance Rental received
		-	-	22,117	-
1	02-May-21	2,200	1,650	20,467	550
2	02-Jun-21	2,200	1,650	18,817	550
3	02-Jul-21	2,200	1,650	17,167	550
4	02-Aug-21	2,200	1,650	15,517	550
5	02-Sep-21	2,200	1,650	13,867	550
6	02-Oct-21	2,200	1,650	12,217	550
7	02-Nov-21	2,200	1,650	10,567	550
8	02-Dec-21	2,200	1,650	8,917	550
9	02-Jan-22	2,200	1,650	7,267	550
10	02-Feb-22	2,200	1,650	5,617	550
11	02-Mar-22	2,200	1,650	3,967	550
12	02-Apr-22	2,200	1,650	2,317	550
13	02-May-22	2,420	1,815	502	605
14	02-Jun-22	2,420	502	-	1,918
15	02-Jul-22	2,420	-	-	2,420
16	02-Aug-22	2,420	-	-	2,420
17	02-Sep-22	2,420	-	-	2,420
18	02-Oct-22	2,420	-	-	2,420
19	02-Nov-22	2,420	-	-	2,420
20	02-Dec-22	2,420	-	-	2,420
21	02-Jan-23	2,420	-	-	2,420
22	02-Feb-23	2,420	-	-	2,420
23	02-Mar-23	2,420	-	-	2,420
24	02-Apr-23	2,420	-	-	2,420
25	02-May-23	2,662	-	-	2,662
26	02-Jun-23	2,662	-	-	2,662
27	02-Jul-23	2,662	-	-	2,662
28	02-Aug-23	2,662	-	-	2,662
29	02-Sep-23	2,662	-	-	2,662
30	02-Oct-23	2,662	-	-	2,662
31	02-Nov-23	2,662	-	-	2,662
32	02-Dec-23	2,662	-	-	2,662
33	02-Jan-24	2,662	-	-	2,662
34	02-Feb-24	2,662	-	-	2,662
35	02-Mar-24	2,928	-	-	2,928
36	02-Apr-24	2,928	-	-	2,928
37	02-May-24	2,928	-	-	2,928
38	02-Jun-24	2,928	-	-	2,928
		93,773	22,117	-	71,656

