

ANNUAL REPORT 2019

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.
	-	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 Appartments, 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.

Vision & Mission Statement

Vision Statement

To accomplish, build up and sustain a good reputation of the project in textile sector locally and globally by manufacturing and marketing high quality of yarn through team work by means of honesty, integrity and commitment.

Mission Statement

To provide maximum satisfaction to customers by
Supplying fine quality yarn for knitting and Weaving for well
Known textile Brands through effective utilization of men,
Material and machines by encouraging, supporting and rewarding
the employees and sharing profits with our shareholders.
We do have social responsibility towards our community in
which we operate and we are committed to safety,
health and environment in all our operations.

Chairman's Review Report

The year under review was the most difficult one in the history of the Company. The production activity was Shutdown from previous year. Consequently the fixed cost still increasing to a level where the project has become unviable to start.

The Board members put their sincere efforts to turn around the Company but due to high cost of doing business and adverse business environment for textile sector all their efforts remained invain. To get out of present situation of Shutdown, the board has been planning to make it operative and running Unit.

The board's overall performance has been assessed as satisfactory. However, improvement is an ongoing phenomenon. Performance evaluation of HR Committee and Audit Committee is based on their competence, task efficiency, effectiveness, facilitation & support to the Board.

Hope that their performance during coming years will improve further.



Mian Tahir Iqbal

Chairman

Lahore: October 07, 2019

چیئرمین کی جائزہ رپورٹ

زیر، جائزہ سال کمیٹی کی تاریخ میں ایک بہت ہی دشوار سال تھا۔ پیداواری سرگرمی گزشتہ سال سے ہندسی۔ اس کے نتیجے میں فیکسڈ اخراجات اس سطح تک بڑھ گئے جہاں منصوبہ کا آغاز کرنا ناقابل عمل بن گیا ہے۔

بورڈ کے اراکان نے کمیٹی کو چلانے کے لئے اپنی بھرپور خدمات کو کشش کی ہیں لیکن کاروبار کرنے کے اعلیٰ اخراجات اور ٹیکسٹائل سیکٹر کے لئے خراب کاروباری ماحول کے باعث ان کی تمام تر کوششیں بے سود رہی ہیں۔ شٹ ڈاؤن کی موجودہ صورت حال سے نکلنے کے لئے، بورڈ نے اسے آپریٹو اور رنگ پونٹ بنانے کا منصوبہ تیار کیا ہے۔

بورڈ کی مجموعی کارکردگی تسلی بخش قرار دی گئی ہے۔ تاہم، بہتری کار۔ حمان جاری ہے۔ ایچ آر کمیٹی اور آڈٹ کمیٹی کی کارکردگی کا اندازہ ان کی صلاحیت، کام کی کارکردگی، موثرگی، بورڈ کو سہولت پہنچانے اور مدد فراہم کرنے پر مبنی ہے۔

امید ہے کہ آئندہ سالوں کے دوران ان کی کارکردگی مزید بہتر ہو جائے گی۔


طاہر اتہال
چیئرمین

لاہور: 07 اکتوبر 2019ء

Directors' Report

On behalf of the Board of Directors the undersigned takes pleasure to present before you the 32nd (thirty second) Annual Report for the financial year ended June 30, 2019 along with Auditors' Report there on.

Operating Financial Results

During the financial year under review, The company has posted net loss from operations of Rs. 23.309 million as compared to net loss Rs. 57.203 million of the corresponding last year.

The composition of net (loss)/profit is as under:-

<u>APPROPRIATIONS</u>	2019	2018
	Rupees	
Loss before taxation	(30,125,194)	(92,312,062)
Taxation	(10,158,483)	16,536,120
Loss after taxation	(40,283,677)	(75,775,942)
Other comprehensive income for the year		
Incremental depreciation of surplus on revaluation of property, plant and equipment realized for the year (net of tax)	16,973,915	18,572,959
Other comprehensive income for the year (net of tax)	16,973,915	18,572,959
Total comprehensive loss for the year	(23,309,762)	(57,202,983)
Loss per share (basic and anti-dilutive)	(3.76)	(7.08)

The Company suspended its operation due to heavy financial losses due to fire incident, that destroy of godowns in the past, recently, the Current Finance Bill 2019 sets to levy 17% sales tax on textile industry, that will enhance further severe liquidity crunch, as hundreds of billions of rupees are already stuck up with the government. The Textile market is highly depressed under Current government policies and uncertain political climate, refrained the Sponsors to invest in company's proposed BMR plans.

Charts of Significant Ratios and comparison with previous years

	2019	2018	2017	2016	2015
Turnover (Net)	-	-	105,226	17,437	0.000
Profit/Loss before taxation	(30,125)	(92,312)	(60,040)	(43,295)	(59,103)
Profit/Loss after taxation	(40,284)	(75,776)	(61,640)	(49,947)	(54,066)
Owner's equity (ordinary shareholders)	(125,664)	(87,823)	(14,755)	43,883	(184,962)
Breakup value of share of Rs. 10 each	(11.74)	(8.21)	(1.38)	4.10	(17.29)
Earnings per share-basic	(3.76)	(7.08)	(5.76)	(4.67)	(5.29)
Total assets	364,109	394,648	496,255	534,683	412,448

Future outlook / Strategy

The shareholders are aware that Board of Directors in their last meeting has announced that the management is putting its best professional efforts for turnaround of the project and get it operational in future. The sponsors and the management have faith and belief in the textile business.

As APTMA has started pursuing on the subject matter of REVIVAL OF SICK UNITS whereby they have asked us to provide information /facts and figures of our sick units to compile a comprehensive report, for concrete negotiation with Government so as to formulate a clear TEXTILE POLICY for the revival of Textile industry, it's a an encouraging move at the end of APTMA , that most probably in the light of the efforts made by APTMA an era of revival of sick units will begin and we will be one of such Units as well.

The company has not even disposed off a signal net bolt of the plant and machinery, so it shows its clear intention to make it operational and profitable Unit in near future. We are just waiting for the right to plug in.

We hope that the Change in Government Policies and facilitation to textile sector will bring fruitful results for the Company.

CORPORATE GOVERNANCE

The Board of Directors of Khalid Siraj Textile Mills Limited and its management are fully conversant with its responsibilities as formulated in Code of Corporate Governance as incorporated in the listing regulations of stock exchanges issued by the SECP. The prescribed practices are effectively under implementation in the company and there has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.

The statements as required by the Code of Corporate Governance are given below:

1. Presentation of Financial Statement

The financial statements, prepared by the management of the company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.

2. Books of Account

The company has maintained proper books of Account.

3. Accounting Policies

The Companies Act, 2017 has introduced changes to the accounting and reporting standards in the last year of their financial statements. The changes in the accounting and reporting standards have impacted the Company's accounting policy relating to the revaluation surplus on property, plant and equipment.

4. International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5. Accounting Year

The accounting year of the company is from July 01 to June 30.

6. Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee and the following are its members:

Mrs. Rukhsana Arif.	Chairman
Mrs. Rafia Hassan.	Member
Mr. Tahir Iqbal	Member

7. Safety and Environment

The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

8. Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored. The review will continue in future for the improvement in controls.

9. Trading Company's Shares

Board of Directors, CEO, CFO, Company Secretary, Executives and their spouse and minor children have made no transaction of company's shares during the year except that mentioned in "Pattern of shareholding".

10. Outstanding Statutory Dues

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30 June 2019 except for those disclosed in the financial statements.

11. Contingencies and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report.

12. Dividend

Due to the circumstances already discussed the Board of Directors does not recommend any dividend for the year ended 30 June 2019.

13. Quality Control

To ensure implementation of the Management System, Internal Quality Audits, Surveillance Audits and Management Review Meetings are conducted regularly.

14. Communication

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Act 2017. Every opportunity is given to the individual shareholders to attend and freely ask questions about the company operations at the Annual General Meeting.

15. Board Meetings

During the year under review, five meeting of Board of Directors were held and the attendance of Directors was as under:-

1. Mr. Tayyab Iqbal	05 Nos
2. Mr. Tahir Iqbal	05 Nos
3. Mr. Iqbal Barkat	02 Nos.
4. Mr. Hassan Barkat	02 Nos.
5. Mrs. Rukhsana Arif	05 Nos.
6. Mr. Amir Jahangir	03 Nos.
7. Mr. Muhammad Asif	04 Nos.
8. Mr. Kh. Hamza Riaz	03 Nos.

Leave of absence was granted by the board to the non attending directors.

16. Audit Committee Meetings

Four meeting of audit committee were held during the year. Attendance by each member was as follows:-

Mrs. Rukhsana Arif.	04 Nos.
Mrs. Rafia Hassan.	01 Nos.
Mr. Tahir Iqbal	04 Nos.
Mr. Amir Jahangir	03 Nos.

17. HR Committee Meetings

Four (4) meetings of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Mr. Tahir Iqbal	04 Nos.
Mr. Amir Jahangir	03 Nos.
Mr. Hassan Barkat	01 Nos.
Mr. Kh. Hamza Riaz	03 Nos.

18. Auditors

On the suggestion of Audit Committee, the Board of Directors of the Company has recommended the re-appointment of M/s Kamran & Co, Chartered Accountants, as the auditors of the Company for the year ending June 30, 2020.

19. Pattern Of Shareholding And Information Under Clause XVI (J) Of The Code Of Corporate Governance

The information under this head as on June 30, 2019 is annexed.

20. Corporate Social Responsibility

The company is fully aware of corporate social responsibilities and is supporting social sector organizations in the fields of educations, health and environment. The company gives donations as a financial assistance to charitable organizations as well as also offers internships all around the year to student form colleges and universities.

Acknowledgement

The Board is pleased and appreciates continued support of its bankers, dedication and hard work of all the employees of the company.

Lahore:

October 07, 2019

On behalf of the Board of Director



Mian Tayyab Iqbal

Chief Executive Officer

ممبران کے لئے مجلس نظامہ کی رپورٹ

برائے مالی سال ختمہ 30 جون 2019ء

مجلس نظامہ کی جانب سے زیر دستخطی 30 جون 2019ء کو ختم ہونے والے مالی سال کی 32 ویں سالانہ رپورٹ معدان پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ مالیتی نتائج

زیر جائزہ مالی سال کے دوران، کمپنی نے گزشتہ سال کی اسی مدت کے 57,203 ملین روپے خالص نقصان کے مقابلے رواں سال کا روپے 23,309 ملین روپے کا خالص نقصان درج کیا ہے۔
خالص (نقصان) / منافع کا خلاصہ ذیل ہے:-

معمرات

2018 (روپے)	2019 (روپے)	
(92,312,062)	(30,125,194)	قبل از ٹیکس آپریٹنگ سے (نقصان)
16,536,120	(10,158,483)	ٹیکس
(75,775,942)	(40,283,677)	بعد از ٹیکس (نقصان)
18,572,959	16,973,915	سال کی دیگر مجموعی آمدنی سال کے لئے جائیداد، پلانٹ اور آلات کی قدر پر سرپلس کی زیادہ فرسودگی (ٹیکس کے علاوہ)
18,572,959	16,973,915	سال کی دیگر مجموعی آمدنی (ٹیکس کے علاوہ)
(57,202,983)	(23,309,762)	سال کا کل مجموعی نقصان
(7.08)	(3.76)	فی شیئر نقصان (بنیادی اور غیر معتدل)

ماضی میں ہماری مالی نقصانات کے سبب کمپنی نے اپنا آپریشن معطل کر دیا، حال ہی میں، موجودہ بجٹ 2019 میں ٹیکسٹائل صنعت پر 17 فیصد سیلر ٹیکس لگانے کا فیصلہ کیا گیا ہے، جس سے لیکویڈیٹی بحران میں مزید اضافہ ہو جائے گا، کیونکہ سیلر ٹیکسوں ارب روپے حکومت کے پاس پہلے ہی بھنس چکے ہیں۔ موجودہ حکومت کی پالیسیوں اور غیر یقینی سیاسی ماحول کی وجہ سے ٹیکسٹائل مارکیٹ انتہائی ست روی کا شکار ہے، جس نے اسپانسرز کو کمپنی کے مجوزہ BMR منصوبوں میں سرمایہ کاری کرنے سے باز رکھا۔

موجودہ پلانٹ اور مشینری بہت پرانی، فرسودہ اور جدید مشینری جو اخراجات کی بچت اور زیادہ پیداوار دیتی ہے کے ساتھ مقابلہ کرنے میں غیر موثر ہو چکی ہے۔

اہم تناسب اور گزشتہ سالوں سے موازنہ کا جدول:

2015	2016	2017	2018	2019	
0.000	17,437	105,226	-	-	آمدنی (خالص)
(59,103)	(43,295)	(60,040)	(92,312)	(30,125)	قبل از ٹیکس (نقصان) / منافع
(54,066)	(49,947)	(61,640)	(75,776)	(40,284)	بعد از ٹیکس (نقصان) / منافع
(184,962)	43,883	(14,755)	(87,823)	(125,664)	مالک کی ایکویٹی (عام شیئر ہولڈرز)

(17.29)	4.10	(1.38)	(8.21)	(11.74)	بریک اپ ویلیو/ شیئر (ہر ایک - 10 روپے)
(5.29)	(4.76)	(5.76)	(7.08)	(3.76)	فی شیئر آمدنی - بنیادی
412,448	534,683	496,255	394,648	364,109	کل اثاثے

مستقبل کا نقطہ نظر/احتساب

حصص داران کو مطلع کیا جاتا ہے کہ بورڈ آف ڈائریکٹرز نے اپنے گزشتہ اجلاس میں اعلان کیا کہ حصص یافتگان جانتے ہیں کہ بورڈ آف ڈائریکٹرز نے اپنے گزشتہ اجلاس میں اعلان کیا کہ انتظامیہ منصوبے کی تبدیلی اور اسے مستقبل میں چلانے کے لئے اپنی بہترین پیشہ ورانہ کوششیں کر رہی ہے۔

اسپانسرز اور انتظامیہ ٹیکسٹائل کے کاروبار پر اعتماد اور یقین رکھتی ہے۔

چونکہ پٹانے کمزور یونٹوں کی بحالی کے حوالہ سے چھان بین شروع کی ہے جس کے تحت انہوں نے حکومت سے ٹھوس اقدامات کے لئے ہمیں کمزور یونٹوں کے بارے میں معلومات/حقائق اور اعداد و شمار پر مبنی ایک جامع رپورٹ فراہم کرنے کو کہا ہے تاکہ ٹیکسٹائل انڈسٹری کی بحالی کے لئے ایک واضح ٹیکسٹائل پالیسی مرتب کی جاسکے۔ اپنا کے اختتام پر یہ ایک حوصلہ افزا اقدام ہے، قوی امکان ہے کہ اپٹا کی طرف سے کی جانے والی کوششوں کی روشنی میں کمزور یونٹوں کی بحالی کا دور شروع ہوگا اور ہم بھی اس طرح کی یونٹوں میں شامل ہوں گے۔

کپنی نے ابھی تک پلانٹ اور مشینری کا واحد نیٹ بولٹ بھی فروخت نہیں کیا ہے، لہذا مستقبل قریب میں اسے آپریشنل اور منافع بخش یونٹ بنانے کا واضح ارادہ ظاہر ہوتا ہے۔ ہم صرف درست پلگ ان کے منتظر ہیں۔

ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل کے شعبے میں سہولت کپنی کے لئے منافع بخش نتائج سے بھرپور ہوگا۔

کارپوریٹ گورننس

خالد سراج ٹیکسٹائل ملز لمیٹڈ کی مجلس نظامہ اور اس کی انتظامیہ SECP سے جاری شدہ اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں شامل کارپوریٹ گورننس کے ضابطہ اخلاق میں تشکیل کردہ اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ مقرر کردہ طریقوں کو مؤثر انداز سے کپنی میں نافذ کیا گیا ہے اور فہرستی قواعد میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت درکار بیانات مندرجہ ذیل ہیں:

1۔ مالی حسابات کی پریزنٹیشن

کپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

2۔ کھاتہ جات

کپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3۔ اکاؤنٹنگ پالیسیاں

کمپنیز ایکٹ، 2017 نے گزشتہ سال مالی حسابات میں اکاؤنٹنگ اور رپورٹنگ معیارات میں تبدیلیاں متعارف کروائی ہیں۔ اکاؤنٹنگ اور رپورٹنگ معیارات میں اصطلاحات نے پراپرٹی، پلانٹ اور آلات کی قدر پر سرپلس سے متعلق کپنی کی اکاؤنٹنگ پالیسی کو متاثر کیا ہے۔

4۔ بین الاقوامی مالی رپورٹنگ معیارات (IFRS)

مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔

5۔ اکاؤنٹنگ سال

کپنی کا اکاؤنٹنگ سال یکم جولائی تا 30 جون ہے۔

6۔ آڈٹ کمیٹی

مجلس نظام نے کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں ایک آڈٹ کمیٹی تشکیل دی ہے اور اس کے ارکان درج ذیل ہیں:

محترمہ رخصانہ عارف	چیئر مین
محترمہ رفیعہ حسن	رکن
جناب طاہر اقبال	رکن

7۔ حفاظت اور ماحول

کمپنی حفاظتی قوانین اور قواعد و ضوابط کے معیارات پر سختی سے عمل کرتی ہے۔ یہ ماحول دوستانہ پالیسیوں کی بھی پیروی کرتی ہے۔

8۔ گونگ کنسرن

گونگ کنسرن کے سلسلے میں، برائے مہربانی مالی حسابات کے نوٹ 1.2 میں بیان کردہ تفصیل ملاحظہ کریں۔

9۔ مالی کنٹرول کا نظام

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر طریقے سے لاگو کیا جاتا ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں مسلسل جائزہ لیا جائے گا۔

10۔ کمپنی کے حصص میں تجارت

بورڈ آف ڈائریکٹرز، ای او بی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور ان کے زوج اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے جن کا ذکر "نمونہ حصص داری" میں کیا گیا ہے۔

11۔ بنیادی قانونی واجبات

ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 30 جون 2019 کو بٹھایا ہوں سوائے جن کا انکشاف مالی حسابات میں کیا گیا ہے۔

12۔ امکانات اور وعدے

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کے مالی حالات پر اثر انداز ہونے والی کوئی مادی تبدیلیاں اور وعدے وقوع پذیر نہیں ہوئے جو اس پبلنک شیٹ سے متعلقہ ہوں۔

13۔ ڈیوٹی بنڈ

متذکرہ بالا حالات کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2019 کو ختم ہونے والے سال کے لئے کسی ڈیوٹی بنڈ کی رائے پیش نہیں کی ہے۔

14۔ کوائٹی کنٹرول

انتظامی نظام کے نفاذ کو یقینی بنانے کے لئے، اندرونی کوائٹی آڈٹ، سرپلیٹنس آڈٹ اور انتظامی جائزہ کے اجلاس باقاعدگی سے منعقد کیے جاتے ہیں۔

15۔ مواصلات

حصص داران کے ساتھ مواصلات کو بہت زیادہ ترجیح دی جاتی ہے کیپنیز ایکٹ 2017 میں مجوزہ مدت کے اندر سالانہ، ششماہی اور سہ ماہی حسابات ترسیل کیے جاتے ہیں۔ انفرادی حصص داروں کو سالانہ اجلاس عام میں شرکت اور کمپنی کے آپریشنز کے بارے میں بلا جھجک سوالات پوچھنے کا ہر موقع دیا جاتا ہے۔

16۔ بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل تھی:

1۔ جناب طیب اقبال	05 عدد
-------------------	--------

- 2۔ جناب طاہر اقبال 05 عدد
3۔ جناب اقبال برکت 02 عدد
4۔ جناب حسن برکت 02 عدد
5۔ محترمہ رخسانہ عارف 05 عدد
6۔ جناب عامر جہانگیر 03 عدد
7۔ جناب محمد آصف 04 عدد
8۔ جناب خواجہ حمزہ ریاض 03 عدد
غیر حاضر ڈائریکٹرز کو بورڈ نے غیر حاضری کی رخصت عطا کی۔

17۔ آڈٹ کمیٹی کے اجلاس

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل تھی:-

- محترمہ رخسانہ عارف 04 عدد
محترمہ رفیعہ حسن 01 عدد
جناب طاہر اقبال 04 عدد
جناب عامر جہانگیر 03 عدد

18۔ ایچ آر کمیٹی کے اجلاس

سال کے دوران ایچ آر اینڈ ریسرچ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل تھی:-

- جناب طاہر اقبال 04 عدد
جناب عامر جہانگیر 03 عدد
جناب حسن برکت 01 عدد
جناب خواجہ حمزہ ریاض 03 عدد

19۔ محاسب

آڈٹ کمیٹی کی تجویز پر، کمیٹی کے بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے سال کے لئے کمیٹی کے آڈیٹرز کے طور پر میسرز کامران اینڈ کمیٹی کی دوبارہ تقرری کی رائے دی ہے۔

20۔ کوڈ آف کارپوریٹ گورننس کی کلاز (XVI(J) کے تحت نمونہ حصص داری اور معلومات

30 جون 2019ء کے مطابق عنوان بالا کے تحت معلومات منسلک ہیں۔


21۔ کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہے اور تعلیم، صحت اور ماحول کے شعبوں میں سوشل سیکٹر تنظیموں کی مدد کر رہی ہے۔ کمپنی خیراتی اداروں کو مالی امداد کے طور پر عطیات دیتی ہے اور کالجوں اور یونیورسٹیوں کے طلبہ کو سال بھر انٹرنشپس پیش کرتی ہے۔

اعمال و فکر

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 ڈائریکٹر


میاں حبیب اقبال
چیف ایگزیکٹو آفیسر

لاہور: 07 اکتوبر 2019ء

Notice of Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of **Khalid Siraj Textile Mills Limited** (the “Company”) will be held on Monday, October 28, 2019 at 11:30 a.m. at the registered office of the Company, 135-Upper Mall, Lahore, to transact the following business:

ORDINARY BUSINESS:

- i) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019 together with the Directors’ and Auditors’ Reports there on and Chairman’s report.
- ii) To appoint auditors of the Company for the year ending June 30, 2020 and fix their remuneration. The Board and Audit Committee have recommended the name of retiring auditors M/S Kamran & Co, Chartered Accountant for re-appointment as auditors of the Company.

By order of the Board

Lahore:
October 07, 2019

Haji Tariq Samad
Company Secretary

NOTES:

- i). The share transfer books of the Company will remain closed from October 21, 2019 to October 28, 2019 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company’s Share Registrar, M/s. Corplink (Pvt) Limited, Wing Arcad 1-K Commercial Model Town, Lahore, at the close of business on 20th October 2019 will be considered in time to determine voting rights of the shareholders for attending the meeting.
- ii). A member of the Company, entitled to attend, speak and vote at the Meeting is entitled to appoint another person as his / her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy must be a Member of the Company. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity. Form of proxy English and Urdu languages is attached to the Notice dispatched to the members.
- iii). Members are requested to send copies of their CNIC’s to the Company’s Share Registrar to enable the Company to comply with the direction of the Securities and Exchange Commission of Pakistan (SECP) contained in SRO 831(1)/2012.

- iv). Shareholders are requested to notify change in their addresses, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to the Share Registrar, if not earlier notified.
- v). If the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least ten (10) days prior to the date of meeting, the Company will arrange video conference facility.

In this regard, please fill the following and submit at Registered Office of the Company, 135-Upper Mall, Lahore, at least ten days prior to the date of Annual General Meeting.

“I/We, _____ of
_____, being a member of Khalid Siraj
Textile Mills Limited, holder of _____ Ordinary Share(s) as per Registered Folio /
CDC A/c # _____ hereby opt for video conference facility at
_____.

Signature of Member / Attorney”

- vi). The audited financial statements of the company for the year ended June 30, 2019 are available on the Company’s website (www.kstml.com). The Members can also opt to obtain the Annual Audited Financial Statements and Notice of AGM through e-mail. In this regard, shareholders are requested to send a written consent by post/ courier on a standard request form available on the website of the Company or by sending a scanned copy of duly filled and signed form by email to Company Secretary at kstml@barkatex.com.

18

Pattern of Shareholding

The Companies Act, 2017 (Section 227(2) (f))

FORM 34

1.1 Name of the Company

KHALID SIRAJ TEXTILE MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2019

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
487	1	100	20,919
291	101	500	93,167
235	501	1,000	155,528
218	1,001	5,000	467,710
40	5,001	10,000	282,113
10	10,001	15,000	124,000
5	15,001	20,000	91,469
4	20,001	25,000	94,000
2	25,001	30,000	53,500
4	30,001	35,000	133,000
5	35,001	40,000	184,400
3	40,001	45,000	128,000
1	50,001	55,000	54,500
1	55,001	60,000	56,129
3	60,001	65,000	188,913
2	70,001	75,000	149,400
1	85,001	90,000	86,567
1	100,001	105,000	102,800
3	105,001	110,000	324,712
10	110,001	115,000	1,128,987
2	145,001	150,000	298,530
1	150,001	155,000	152,100
1	155,001	160,000	159,160
2	160,001	165,000	324,500
1	170,001	175,000	173,007
1	190,001	195,000	191,230
1	180,001	185,000	185,000
1	195,001	200,000	196,900
1	240,001	245,000	240,750
1	295,001	300,000	299,600
1	305,001	310,000	306,062
1	365,001	370,000	369,973
2	370,001	375,000	746,677
1	380,001	385,000	382,232
1	395,001	400,000	399,431
1	420,001	425,000	420,304
1	550,001	555,000	553,840
1	680,001	685,000	682,998
1	695,001	700,000	697,892
1348			10,700,000

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	1,105,741	10.3340%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	690,898	6.4570%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	4,899	0.0458%
2.3.5 Insurance Companies	420,304	3.9281%
2.3.6 Modarabas and Mutual Funds	11,235	0.1050%
2.3.7 Share holders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	8,376,646	78.2864%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	23,743	0.2219%
2- Pension Funds	64,042	0.5985%
3- Others Companies	2,492	0.0233%

Categories of Shareholding

Required under Code of Corporate Governance (CCG) as on June 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MIAN IQBAL BARKAT	546,682	5.1092%
2	MR. TAYYAB IQBAL (CDC)	130,929	1.2236%
3	MRS. RAFIA HASSAN	111,600	1.0430%
4	MRS. ABIDA IQBAL	102,800	0.9607%
5	MIAN TAHIR IQBAL	10,000	0.0935%
6	MRS. RUKHSANA ARIF	500	0.0047%
7	MIAN HASSAN BARKAT (CDC)	203,230	1.8993%

Executives:

697,892 6.5224%

Public Sector Companies & Corporations:

- 0.0000%

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

489,245 4.5724%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	MIAN HUSSAIN BARKAT	697,892	6.5224%
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	682,998	6.3832%
3	MIAN FAROOQ BARKAT	616,211	5.7590%
4	MIAN IQBAL BARKAT	546,682	5.1092%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
	NIL		

Statement of Compliance

With the Code of Corporate Governance for the year ended June 30, 2019

Name of the Company : Khalid Siraj Textile Mills Limited (the “Company”)

For the Year ended : June 30, 2019

The company has complied with the requirement of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a) **Male:** Four (4)
 - b) **Female:** Three (3)
2. The composition of board is as follows:

Category	Name
Independent Directors	<ul style="list-style-type: none"> • None
Executive Directors	<ul style="list-style-type: none"> • Mian Tayyab Iqbal • Mian Tahir Iqbal
Non-Executive Directors	<ul style="list-style-type: none"> • Mian Iqbal Barkat. • Mian Hassan Barkat. • Mrs. Abida Iqbal. • Mrs. Rafia Hassan. • Mrs. Rukhsana Arif.

3. The Directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company. (Excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved and amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
10. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board.

11. The Board has formed committees comprising of members given below:

a. Audit Committee

- | | |
|------------------------|-----------|
| i. Mrs. Rukhsana Arif. | -Chairman |
| ii. Mrs. Rafia Hassan. | -Member |
| iii. Mr. Tahir Iqbal. | -Member |

b. HR and Remuneration Committee

- | | |
|--------------------------|-----------|
| i. Mr. Tahir Iqbal | -Chairman |
| ii. Mrs. Abida Iqbal. | -Member |
| iii. Mian Hassan Barkat. | -Member |

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
13. The frequency of meetings of the aforesaid committee were as per following:
- a. **Audit Committee:** Four quarterly meetings during the financial year ended June 30, 2019
- b. **HR and Remuneration Committee:** Four quarterly meetings during the financial year ended June 30, 2019
14. The Board has set-up an effective internal audit function which are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
17. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors



Mian Tayyab Iqbal

Chief Executive Officer

Lahore: October 07, 2019

KAMRAN & CO.
CHARTERED ACCOUNTANTS

A member firm of
IMPACT Asia Pacific
an international network
of independent
professional accountants



Review Report on the Statement of Compliance **Contained in listed Companies (Code of Corporate Governance)** **Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **KHALID SIRAJ TEXTILE MILLS LIMITED** (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, because of the matters stated in para (a) below, the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

- (a) The company does not operate fully under the best practices contained in the Regulations as applicable to the Company including non-operative internal audit function, non-appointment of independent director, and non-certification of director's training program.

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended 30 June 2019.


KAMRAN & CO
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: KAMIL FATAH (FCA)



LAHORE
07th OCTOBER 2019

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KAMRAN & CO.
CHARTERED ACCOUNTANTS



Independent Auditor's Report

To the members of Khalid Siraj Textile Mills Limited

Report on the Audit of the Financial Statements

ADVERSE OPINION

We have audited the annexed financial statements of **M/SKHALID SIRAJ TEXTILE MILLS LIMITED**, which comprises the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanation given to us, because of the significance of the matters as discussed in basis for adverse opinion paragraph the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give information required by Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

BASIS FOR ADVERSE OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountant* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- a) As explained in note 4.4 to the financial statements, the Company has incurred a net loss of Rs.40.284million (2018: Rs.75.776million) resulting in accumulated losses of Rs.452.411 million (2018: Rs.429.102million) at the close of the year ended 30 June 2019. The Company's current liabilities exceed its current assets by Rs.209.435 million (2018: Rs.208.679 million). The Company is facing operational and financial crisis and have lost key management without replacement and the commercial operations of the Company are ceased. These conditions indicate the existence of material uncertainty which may cast a significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business. The financial statements, however, do not disclose this fact and any adjustment to that effect;

- b) International Accounting Standard – 19, “Employee Benefits” requires that Company should make provision in respect of employee benefits on the basis of projected unit credit method. In absence of working and actuarial valuation in this respect, we were unable to confirm the amount of provision required on account of employee benefits using projected unit credit method.
- c) The Company has not provided for mark-up on short-term borrowings owing to the dispute with financial institutions (refer notes 13 and 14 to the financial statements) during the year, and no provision for cost of funds had been accounted for in the financial statements. In the absence of detailed working and the opinion of legal counsel (sought directly) of the Company in this regard we were unable to determine the amount of provision required on account of accrued mark-up.
- d) Trade creditors amounting to Rs. 75 million as disclosed in note 11 to the financial statements remains unverified in the absence of direct confirmations from the parties.
- e) Short-term borrowings amounting to Rs. 68.181 million (refer note 14 to the financial statements) from financial institutions remained unconfirmed in the absence of direct balance confirmations. These also could not be verified through other corroborative audit evidences.
- f) As explained in note 9 and 18 to the financial statements regarding long term finances of Rs. 226.682 million and long term advances amounting to Rs. 15.651 million, 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, no steps had been taken by the parties to execute the settlement agreement till date. In the absence of confirmation from legal advisor of the Company we are unable to comment on same.
- g) The Company has not conducted impairment testing of its property, plant and equipment, which constitute a departure from International Financial Reporting Standards. Any impact of the same on assets, liabilities and on profit or loss statement of the Company is not determined.
- h) In the absence of underlying record and documents, we were unable to satisfy ourselves by alternative means concerning the value of stores, spare parts and loose tools of amounting to Rs.12.147 million.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters

S. No. Key Audit Matter

I. Tax contingencies

The tax contingencies requires the management to make judgments and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies.

Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have considered tax contingencies as a key audit matter.

II. Revaluation of fixed Assets

During the year company has not revalued its fixed assets. According to 'IAS 16' it may be necessary to revalue the fixed assets every three or five years.

How the matter was addressed in our audit

Our audit procedures included the following:

- Review of the correspondence of the Company with the relevant tax authorities and tax advisors including judgments or orders passed by the competent authorities.
- We also obtained and reviewed confirmations from the Company's external tax advisor for their views on the status of each case and an overall opinion on the open tax position of the Company. We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in note 24 to the accompanying financial statements.

How the matter was addressed in our audit

Our audit procedures included the following:

- Reviewing the revaluation policies of the company. On corroborating we found that last revaluation of the fixed assets was carried out in 2016 and management confirmed that there is not much fluctuation in market price from last revaluation to require next revaluation exercise before 3-5 years time. They confirmed that requirement of IAS-16 shall be followed with regard to revaluation timings.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Acts, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Refer para (a) above under 'Basis for adverse opinion'.

Boards of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

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CHARTERED ACCOUNTANTS

A member firm of
INPACT Asia Pacific
an international network
of independent
professional accountants



cause the Company to cease to continue as a going concern. Refer para (a) above under 'Basis for adverse opinion'.

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures and whether the financial statements represent the underlying transaction and events in a manner that achieve fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

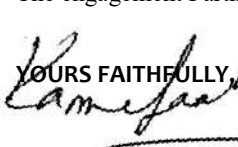
Based on our audit, we further report that in our opinion because of the significance of the matters as described in basis for adverse opinion above:


- Except for the matters stated in basis of adverse opinion above, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statements of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are agreement with the books of account and return;
- Investment made, expenditure incurred and guarantees extended during the year were for the purpose of company's business; and
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

OTHER MATTER PARAGRAPH

We draw attention towards the order passed by Securities and Exchange Commission of Pakistan, authorizing the Additional Registrar, Company Registration Office, Lahore to present a petition for winding up of the Company.

The engagement Partner on the audit resulting in this independent auditor's report is Mr. Kamil Fatah (FCA).

YOURS FAITHFULLY,

KAMRAN & CO
CHARTERED ACCOUNTANTS

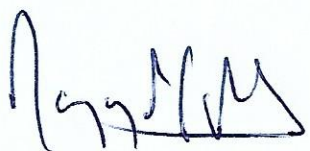


LAHORE
07th OCTOBER 2019

KHALID SIRAJ TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

EQUITY AND LIABILITIES	Note	30 June 2019 Rupees	30 June 2018 Rupees
Share capital and reserves			
Share capital	7	107,000,000	107,000,000
Accumulated loss		(452,411,463)	(429,101,703)
Surplus on revaluation of property, plant and equipment	8	219,747,944	234,279,097
		<u>(125,663,519)</u>	<u>(87,822,606)</u>
 Non-current liabilities			
Long-term finances	9	226,769,487	226,682,011
Deferred liabilities	10	40,666,790	32,951,069
		<u>267,436,277</u>	<u>259,633,080</u>
 Current liabilities			
Trade and other payables	11	113,306,877	113,808,350
Unclaimed dividend	12	24,058,182	24,058,182
Mark-up accrued on borrowings	13	16,790,575	16,790,575
Short-term borrowings	14	68,180,179	68,180,179
		<u>222,335,813</u>	<u>222,837,286</u>
 Contingencies and commitments	15	-	-
		<u><u>364,108,571</u></u>	<u><u>394,647,760</u></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Executive Officer



Director



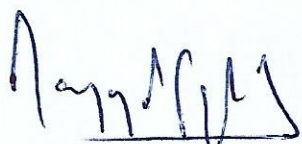
Chief Financial Officer

Lahore.

KHALID SIRAJ TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

ASSETS	Note	30 June 2019 Rupees	30 June 2018 Rupees
Non-current assets			
Property, plant and equipment	16	333,556,140	362,837,330
Long-term deposits	17	2,001,000	2,001,000
Long-term advances	18	15,650,727	15,650,727
		<u>351,207,867</u>	<u>380,489,057</u>
Current assets			
Stores, spare parts and loose tools	19	12,147,495	12,147,495
Trade debts	20	-	820,284
Trade deposits and short-term prepayments	21	507,100	507,100
Balances due from government	22	-	-
Cash and bank balances	23	246,109	683,824
		<u>12,900,704</u>	<u>14,158,703</u>
		<u><u>364,108,571</u></u>	<u><u>394,647,760</u></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Lahore.

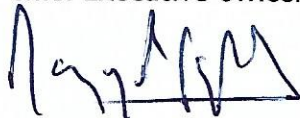
KHALID SIRAJ TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHANSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 Rupees	30 June 2018 Rupees
Cost of sales	24	-	-
Other operating income	25	-	4,386,980
Distribution and marketing cost	26	98,180	42,336
Administrative and general expenses	27	744,517	3,818,307
Other operating expenses	28	29,281,187	92,730,444
Finance cost	29	1,308	107,955
		30,125,192	96,699,042
Loss before taxation		(30,125,192)	(92,312,062)
Taxation	30	(10,158,483)	16,536,120
Loss after taxation		(40,283,675)	(75,775,942)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(40,283,675)	(75,775,942)
Loss per share (basic and anti-dilutive)	31	(3.76)	(7.08)

The annexed notes from 1 to 41 form an integral part of these financial statements.

Chief Executive Officer

Lahore.



Director



Chief Financial Officer



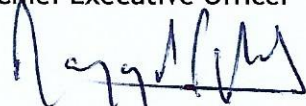
KHALID SIRAJ TEXTILE MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 Rupees	30 June 2018 Rupees
A Cash flow from operating activities			
Loss before taxation		(30,125,192)	(92,312,062)
Add / (Less): Adjustment for non-cash items:			
Depreciation on property, plant and equipment	16.3	29,281,187	32,505,320
Impairment of stores and stocks		-	8,144,524
Bad debts		-	1,094,236
Balance due from government not recoverable - written off		-	50,986,364
Finance cost	29	1,308	107,955
		29,282,495	92,838,399
Operating profit/(loss) before working capital changes		(842,697)	526,337
Working capital changes			
(Increase) / Decrease in current assets			
Trade debts		820,284	2,113,638
Loans and advances		-	3,718,572
Balances due from government		-	1,824,145
(Decrease)/increase in trade and other payables		(501,473)	(12,996,093)
		318,811	(5,339,738)
Net cash (used in) operations		(523,886)	(4,813,401)
Income taxes paid		-	(13,014)
Finance cost paid		(1,308)	(107,955)
Net cash (used in) operating activities		(525,194)	(4,934,370)
C Cash flow from financing activities			
Proceeds from long-term finances - net		87,476	3,744,391
Net cash in flow in financing activities		87,476	3,744,391
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(437,715)	(1,189,978)
Cash and cash equivalents at beginning of the year	23	683,824	1,873,804
Cash and cash equivalents at end of the year	23	246,109	683,824


The annexed notes from 1 to 41 form an integral part of these financial statements.

Lahore.

Chief Executive Officer




Director



Chief Financial Officer


KHALID SIRAJ TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share Capital	Accumulated Loss	Revaluation surplus on property, plant and equipment	Total Equity
			----- Rupees -----	
As at 30 June 2017	107,000,000	(371,898,720)	250,143,965	(14,754,755)
Total comprehensive loss for the year				
Loss for the year	-	(75,775,942)	-	(75,775,942)
Other comprehensive income for the year				
Incremental depreciation on revaluation of property, plant and equipment for the year (net of tax)	-	18,572,959	(18,572,959)	-
Revaluation surplus on property, plant and equipment for the year (net of tax)	-	-	2,708,091	2,708,091
	-	(57,202,983)	(15,864,868)	(73,067,851)
As at 30 June 2018	107,000,000	(429,101,703)	234,279,097	(87,822,606)
Total comprehensive loss for the year				
Loss for the year	-	(40,283,675)	-	(40,283,675)
Other comprehensive income for the year				
Incremental depreciation on revaluation of property, plant and equipment for the year (net of tax)	-	16,973,915	(16,973,915)	-
Revaluation surplus on property, plant and equipment for the year (net of tax)	-	-	2,442,762	2,442,762
	-	(23,309,760)	(14,531,153)	(37,840,913)
As at 30 June 2019	107,000,000	(452,411,463)	219,747,944	(125,663,519)

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Lahore.

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 STATUS AND ACTIVITIES

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.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 Initial application of International Financial Reporting Standards (IFRSs), interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards have become applicable to the Company effective 1 July 2018:

IFRS 9	Financial Instruments	This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On 1 July 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost').
IFRS 15	Revenue from Contracts with Customers	This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made in these financial statements.

3.2 International Financial Reporting Standards (IFRSs), interpretations and amendments that are effective in current year but are not relevant

Other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2018 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

3.3 IFRSs, IFRIC interpretations and accounting standards not yet effective and have not been early adopted by the Company

Additionally there is another new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4 BASIS OF PREPERATION

4.1 Measurement

These financial statements have been prepared under historical cost convention unless otherwise specifically stated.

4.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- a) Depreciation method, rates and useful lives of property, plant and equipment (note 16)
- b) Employee benefits (note 10)
- c) Recoverable amount of assets/cash generating units and impairment (note 16)
- d) Taxation (note 33)
- e) Provisions (note 11)
- f) Contingencies (note 15)

4.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

4.4 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 of Rs. 40.284 million (2018: Rs. 75.776 million) resulting in accumulated losses of Rs. 452.411 million (2018: Rs. 429.102 million) at the close of the year ended 30 June 2018. The Company's current liabilities exceed its current assets by Rs. 209.435 million (2018: Rs. 208.679 million).

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 materilized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

5 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies set out below have been adopted and applied consistently to the period presented in the preparation of these financial statements:

5.1 Property, plant and equipment

Property, plant and equipment except freehold land is stated at cost / revalued amounts (if any) less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount. Capital work in progress and stores held for capital expenditure are stated at cost less accumulated impairment losses, if any. Cost also includes borrowing costs wherever applicable.

When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment. Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income during the period in which they are incurred.

Depreciation is charged to profit and loss account applying the reducing balance method over its estimated useful life at the rates specified in note 16 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which they are available for use while no depreciation is charged for the whole year in which property, plant and equipment purchased, and no depreciation in the year in which it is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment, if any, are recognized in the income of the relevant year, as and when incurred. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

5.2 Surplus on revaluation of fixed assets

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost.

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

5.3 Taxation

Income tax expense comprise current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in 'profit and loss account / statement of comprehensive income' or 'equity', in which case it is recognized in 'profit and loss account / statement of comprehensive income' or 'equity'.

a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year.

b) Deferred

Deferred taxation if applicable, is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amount for financial reporting purposes. In this regard the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged in the profit and loss account, except in the case of items credited or charged to equity, in that case it is included in equity.

5.4 Borrowings

Loans and borrowings are recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Subsequent to initial recognition, borrowings are stated at originally recognized amount less subsequent repayments, while the difference between the original recognized amount as reduced by periodic payments and redemption value is recognized in the profit and loss account over the period of borrowings on an effective rate basis. Finance cost are accounted for on an accrual basis and are included in interest accrued on loans to the extent of amount remaining unpaid, if any.

5.5 Financial Instruments

Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

- (i) at fair value through profit or loss
- (ii) at fair value through comprehensive income
- (iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

- | | | |
|-------|---|--|
| (i) | Financial assets at fair value through profit and loss | These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss. |
| (ii) | Financial assets measured at amortized cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. |
| (iii) | Debt investments at fair value through other comprehensive income | These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss. |
| (iv) | Equity investments at fair value through other comprehensive income | These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. |

5.6 Cash and cash equivalents

Cash and cash equivalents are carried in the financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks and short-term deposits which are held to maturity.

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FOR THE YEAR ENDED 30 JUNE 2019

5.7 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when

5.8 Trade and other payables

a) Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.

5.9 Dividend distribution

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

5.10 Provisions

Provisions are recognized in the balance sheet when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.11 Borrowing cost

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

5.12 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.13 Employee benefits

a) Short-term employee benefits / Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leaves according to the Company's policy in the period in which the leaves are earned. Charge for the year is included in profit and loss account.

b) Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss. The amount recognized on balance sheet represents the present value of defined benefit obligation. The details of the scheme are referred to in note 10.1 also refer note 4.2 to the financial statements.

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FOR THE YEAR ENDED 30 JUNE 2019

5.14 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.15 Stores, spare parts and loose tools

These are normally held for internal use and valued at moving average cost less allowances for obsolete and slow moving items except stores in transit which are valued at invoice values plus other charges incurred thereon up to the balance sheet date. For items which are slow moving and/ or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

5.16 Stock-in-trade

Basis of valuations are as follows:

Particulars

Mode of Valuation

Raw material - at warehouse
- in transit

at lower of weighted average cost and net realizable value
at cost accumulated to the balance sheet date

Work-in-process

at estimated manufacturing cost

Finished goods

at lower of cost and net realizable value

Waste

at realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

5.17 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

5.18 Impairment

a) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized as expense in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. For nonfinancial assets, financial assets measured at amortized cost, available-for-sale financial assets that are debt securities, the reversal is recognized in profit and loss account.

KHALID SIRAJ TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

5.19 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards. and is presented in 'statement of comprehensive income'.

5.20 Earnings per share ("EPS")

The Company calculates both basic and diluted EPS in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year. Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

5.21 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or realize the asset and settle the liability simultaneously.

5.22 Related party transactions

Related party transactions are carried out on an arm's length basis. Pricing for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) *Sale of goods and services*

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions. Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) *Purchases of goods and services*

Purchases of goods from related parties are recognized at actual cost to the Company. Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) *Dividend distribution*

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

5.23 Determination of fair value

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) *Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of future net cash in flows, discounted at the market rate of interest at the reporting date.

b) *Trade and other payables*

The fair value of trade and other payables is estimated as the present value of future net cash out flows, discounted at the market rate of interest at the reporting date.

c) *Borrowings*

The fair value of borrowings is determined using effective interest method.

5.24 Figures

Figures have been rounded off to the nearest of rupee.

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FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	----- Number of shares -----		Rupees	Rupees
7 SHARE CAPITAL				
Authorized capital				
Ordinary shares of Rs. 10 each	<u>12,000,000</u>	<u>12,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
Issued subscribed and paid up capital				
Ordinary shares of Rs. 10 each				
- fully paid in cash	10,000,000	10,000,000	100,000,000	100,000,000
- fully paid as bonus shares	<u>700,000</u>	<u>700,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
	<u>10,700,000</u>	<u>10,700,000</u>	<u>107,000,000</u>	<u>107,000,000</u>

7.1 There is no movement in capital of the Company during the year

7.2 The Company has only one class of ordinary shares which carry no right to fixed income.

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

<i>At beginning of the year (net of deferred tax)</i>	<i>Increase in surplus due to change in tax rate</i>	<i>Increase in surplus due to revaluation during the year</i>	<i>Incremental depreciation (net of deferred tax)</i>	<i>At end of the year (net of deferred tax)</i>
----- Rupees -----				

8.1 Reconciliation of carrying values at end of year - 30 June 2019

Freehold land	63,285,703	-	-	-	63,285,703
Building on freehold land					
- Factory	57,873,683	826,767	-	(5,870,045)	52,830,405
- Others	7,289,868	104,141	-	(369,701)	7,024,308
	65,163,551	930,908	-	(6,239,746)	59,854,713
Plant and machinery	100,201,861	1,431,455	-	(10,163,332)	91,469,984
Electric installations	2,538,648	36,266	-	(257,491)	2,317,423
Laboratory equipment	3,089,334	44,133	-	(313,346)	2,820,121
	<u>234,279,097</u>	<u>2,442,762</u>	<u>-</u>	<u>(16,973,915)</u>	<u>219,747,944</u>

8.2 Reconciliation of carrying values at end of year - 30 June 2018

Freehold land	63,285,703	-	-	-	63,285,703
Building on freehold land					
- Factory	63,385,462	918,630	-	(6,430,409)	57,873,683
- Others	7,563,923	109,622	-	(383,677)	7,289,868
	70,949,385	1,028,252	-	(6,814,086)	65,163,551
Plant and machinery	109,744,896	1,590,506	-	(11,133,541)	100,201,861
Electric installations	2,780,424	40,296	-	(282,072)	2,538,648
Laboratory equipment	3,383,557	49,037	-	(343,260)	3,089,334
	<u>250,143,965</u>	<u>2,708,091</u>	<u>-</u>	<u>(18,572,959)</u>	<u>234,279,097</u>

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FOR THE YEAR ENDED 30 JUNE 2019

8.3 The Company, revalued its freehold land, buildings on freehold land and plant and machinery on 30 June 2010. The said revaluation exercise was carried-out to replace the carrying amounts of assets with the market values / depreciated market values. Previous revaluation exercise was conducted by independent valuers on 30 June 2016.

The revaluation exercise was carried out by independent valuers M/s. Anderson Consulting (Private) Limited (who are on the list of approved valuers of Pakistan Banks' Association) and revaluation adjustments were incorporated.

8.4 The basis of revaluation are as under:

Freehold land	The value of land is based on inquiries in the activity of land and also information obtained from different sources in the area.
Buildings on freehold land (both factory and non-factory)	The value of building is based on information of construction details, covered areas and quality of constructions were noted and new rate of construction per square foot was determined based upon estimates of balance life to arrive at new construction value.
Plant and machinery (inclusive of electric and lab equipments)	The value is based on inquiries from the local market, market based comparisons and setting price of machinery to obtain prevalent replacement values of similar local and imported machinery items.

		30 June 2019	30 June 2018
		Rupees	Rupees
9 LONG-TERM FINANCES			
<i>From related parties (current and prior) - unsecured</i>			
Sponsors	- note 9.1	30,400,000	30,400,000
Previous associated undertakings	- note 9.2	32,329,798	32,329,798
Current and ex-directors	- note 9.3	164,039,689	163,952,213
		<u>226,769,487</u>	<u>226,682,011</u>

9.1 Loan from sponsors

These represents unsecured loan from sponsors of the Company. The terms of repayment has not yet been decided so far. Refer note 9.2 for detail of the matter.

9.2 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 (2018: Rs. 13.440 million) and mark-up accrued on said loans amounting to Rs. 18.890 million (2018: 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, no steps had been taken by the parties to execute the settlement agreement till date.

9.3 Long-term loans from 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.

9.4 These are classified as 'financial liabilities' under IFRS 9 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these long term loans have no fixed maturity date as discussed above, are carried at cost as their amortized cost is impracticable to

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		30 June 2019 Rupees	30 June 2018 Rupees
10 DEFERRED LIABILITIES			
Employee retirement benefits	- note 10.1	6,193,239	6,193,239
Deferred taxation	- note 10.2	34,473,551	26,757,830
		40,666,790	32,951,069
10.1 Employee retirement benefits			
As the Company has ceased its operations and accordingly, the Company has stop providing for employee retirement benefits, the balance represents unpaid gratuity to outgoing employees. As the Company is no longer providing employee retirement benefits, therefore the present value of obligation has not been determined using projected unit credit method.			
		30 June 2019 Rupees	30 June 2018 Rupees
10.2 Deferred taxation			
<i>Deferred tax liability on taxable temporary differences</i>			
Accelerated tax depreciation on property, plant and equipment		9,228,409	11,158,910
Surplus on revaluation of property, plant and equipment		63,907,111	73,282,882
<i>Deferred tax asset on deductible temporary differences</i>			
Employee retirement benefits		(1,796,039)	(1,857,972)
Unused tax losses		(36,865,930)	(55,825,990)
		34,473,551	26,757,830
<i>Charge of deferred tax</i>			
In surplus on revaluation of property, plant and equipment		(2,442,762)	(2,708,091)
In profit and loss account		10,158,483	(16,579,990)
		7,715,721	(19,288,081)
11 TRADE AND OTHER PAYABLES			
Trade creditors		80,746,070	82,947,710
Advances from customers		5,598,514	3,688,516
Accrued liabilities		25,667,511	25,918,537
Withholding taxes payable		994,782	953,587
Securities payable		300,000	300,000
		113,306,877	113,808,350
11.1 Workers profit participation fund / Workers' welfare fund			
As the Company is in loss for the year as in last year, hence no provision for workers' profit participation fund and 'workers' welfare fund' has been provided in these financial statements.			
12 UNCLAIMED DIVIDEND			
Unclaimed dividend	- note 12.1	24,058,182	24,058,182
12.1 Unclaimed dividend			
These represents uncalled dividends by sponsors of the Company. The above uncalled dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore (also refer note 9.2).			
13 MARK-UP ACCRUED ON BORROWINGS			
Short-term borrowings		16,790,575	16,790,575

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		----- <i>Sanctioned Limits</i> -----		----- <i>Amount Availed</i> -----	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		Rupees	Rupees	Rupees	Rupees
14 SHORT-TERM BORROWINGS					
Cash finances	- note 14.1	160,000,000	160,000,000	60,680,179	60,680,179
FATR	- note 14.2	7,500,000	7,500,000	7,500,000	7,500,000
		167,500,000	167,500,000	68,180,179	68,180,179

14.1 Cash finances

This facility has been obtained from National Bank of Pakistan for working capital requirements, and is secured by way of first pari passu charge amounting to Rs. 67.00 million (2018: Rs. 67.00 million) over the fixed assets of the Company, ranking charge amounting to Rs. 178.33 million (2018: Rs. 178.33 million) over the current assets of the Company, pledge of stocks of cotton bales and yarn and personal guarantees of sponsoring directors of the Company. This facility carries mark-up at the rate of 3 months KIBOR plus 300 bps (2018: 3 months KIBOR plus 300 bps) per annum payable on quarterly basis. This facility had expired on 31 December 2013 and had not been renewed by the bank till the authorization for issue of these financial statements.

14.2 Finance against trust receipts (FATR)

This facility has been obtained from National Bank of Pakistan for cotton procurement, and is secured by way of first pari passu charge amounting to Rs. 25.00 million on current assets of the Company, trust receipts duly executed by the Company and personal guarantees of sponsoring directors of the Company. This facility carries mark-up at the rate of 3 months KIBOR plus 300 bps (2018: 3 months KIBOR plus 300 bps) per annum. This facility had expired on 31 December 2013 and had not been renewed by the bank till the authorization for issue of these financial statements.

		30 June 2019	30 June 2018
		Rupees	Rupees
15 CONTINGENCIES AND COMMITMENTS			
<i>Contingencies</i>			
Guarantees issued on behalf of the Company by financial institutions		507,100	507,100
Unavailed letters of credit (sight) facility		20,000,000	20,000,000

The Company was in litigation as regard to balances payable to sponsors amounting to Rs. 30.40 million (2018: Rs. 30.40 million), uncalled dividends of sponsors amounting to Rs. 24.06 million (2018: Rs. 24.06 million), previous associated undertakings amounting to Rs. 32.33 million (2018: Rs. 32.33 million) and balance receivable from previous associated undertakings amounting to Rs. 15.65 million (2018: Rs. 15.65 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, no steps had been taken by the parties to execute the settlement agreement till date.

Short-term borrowing facilities from National Bank of Pakistan have not been renewed by the financial institution during the year. Further, a case was filed by the bank against the company at 24 June 2016 against which hearings are under process.

Other than above, there is no known contingent liability of the Company as on year end (2018: Nil).

Commitments

There are no outstanding commitments of the Company as on year end (2018: Nil).

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16 PROPERTY, PLANT AND EQUIPMENT

16.1 Reconciliation of carrying values at end of the year - 30 June 2018

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE	Annual rate of dep.
	As at 1/July/2018	Additions / (Disposals)	As at 30/June/2019	As at 1/July/2018	Charge for the year	As at 30/June/2019	As at 30/June/2019	
	----- Rupees -----							% age
Freehold land								
Cost	1,064,297	-	1,064,297	-	-	-	1,064,297	-
Revaluation	63,285,703	-	63,285,703	-	-	-	63,285,703	-
	64,350,000	-	64,350,000	-	-	-	64,350,000	
Factory building on freehold land								
Cost	34,577,413	-	34,577,413	27,804,789	677,262	28,482,051	6,095,362	10
Revaluation	160,286,583	-	160,286,583	77,609,896	8,267,669	85,877,565	74,409,018	10
	194,863,996	-	194,863,996	105,414,685	8,944,931	114,359,616	80,504,380	
Non-factory building on freehold land								
Cost	7,380,828	-	7,380,828	5,883,986	74,842	5,958,828	1,422,000	5
Revaluation	16,869,044	-	16,869,044	6,454,948	520,705	6,975,653	9,893,391	5
	24,249,872	-	24,249,872	12,338,934	595,547	12,934,481	11,315,391	
Plant and machinery								
Cost	317,571,940	-	317,571,940	276,118,458	4,145,348	280,263,806	37,308,134	10
Revaluation	377,591,629	-	377,591,629	234,446,111	14,314,552	248,760,663	128,830,966	10
	695,163,569	-	695,163,569	510,564,569	18,459,900	529,024,469	166,139,100	
Electric installations								
Cost	6,881,121	-	6,881,121	5,444,741	143,638	5,588,379	1,292,742	10
Revaluation	16,214,684	-	16,214,684	12,588,043	362,664	12,950,707	3,263,977	10
	23,095,805	-	23,095,805	18,032,784	506,302	18,539,086	4,556,719	
Laboratory equipment								
Cost	6,692,987	-	6,692,987	6,371,180	32,181	6,403,361	289,626	10
Revaluation	18,295,338	-	18,295,338	13,882,004	441,333	14,323,337	3,972,001	10
	24,988,325	-	24,988,325	20,253,184	473,514	20,726,698	4,261,627	
Tools and equipment	154,960	-	154,960	147,693	727	148,420	6,540	10
Concrete mixer	300,000	-	300,000	286,051	1,395	287,446	12,554	10
Weighing scales	233,200	-	233,200	221,442	1,176	222,618	10,582	10
Furniture and fixtures	7,609,088	-	7,609,088	5,849,260	175,983	6,025,243	1,583,845	10
Tube well	1,292,880	-	1,292,880	918,638	37,424	956,062	336,818	10
Arms and ammunition	27,350	-	27,350	24,347	300	24,647	2,703	10
Bicycles	11,880	-	11,880	11,734	29	11,763	117	20
Motor vehicles	13,263,417	-	13,263,417	12,703,691	83,959	12,787,650	475,767	15
Total - 30/June/2019	1,049,604,342	-	1,049,604,342	686,767,012	29,281,187	716,048,199	333,556,143	

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16.2 Reconciliation of carrying values at beginning of the year - 30 June 2018

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE	Annual rate of dep.
	As at 1/July/2017	Additions for the year	As at 30/June/2018	As at 1/July/2017	Charge for the year	As at 30/June/2018	As at 30/June/2018	
	----- Rupees -----							% age
Freehold land								
Cost	1,064,297	-	1,064,297	-	-	-	1,064,297	-
Revaluation	63,285,703	-	63,285,703	-	-	-	63,285,703	-
	64,350,000	-	64,350,000	-	-	-	64,350,000	
Factory building on freehold land								
Cost	34,577,413	-	34,577,413	27,052,275	752,514	27,804,789	6,772,624	10
Revaluation	160,286,583	-	160,286,583	68,423,597	9,186,299	77,609,896	82,676,687	10
	194,863,996	-	194,863,996	95,475,872	9,938,813	105,414,685	89,449,311	
Non-factory building on freehold land								
Cost	7,380,828	-	7,380,828	5,805,205	78,781	5,883,986	1,496,842	5
Revaluation	16,869,044	-	16,869,044	5,906,838	548,110	6,454,948	10,414,096	5
	24,249,872	-	24,249,872	11,712,043	626,891	12,338,934	11,910,938	
Plant and machinery								
Cost	317,571,940	-	317,571,940	271,512,516	4,605,942	276,118,458	41,453,482	10
Revaluation	377,591,629	-	377,591,629	218,541,053	15,905,058	234,446,111	143,145,518	10
	695,163,569	-	695,163,569	490,053,569	20,511,000	510,564,569	184,599,000	
Electric installations								
Cost	6,881,121	-	6,881,121	5,285,143	159,598	5,444,741	1,436,380	10
Revaluation	16,214,684	-	16,214,684	12,185,083	402,960	12,588,043	3,626,641	10
	23,095,805	-	23,095,805	17,470,226	562,558	18,032,784	5,063,021	
Laboratory equipment								
Cost	6,692,987	-	6,692,987	6,335,424	35,756	6,371,180	321,807	10
Revaluation	18,295,338	-	18,295,338	13,391,633	490,371	13,882,004	4,413,334	10
	24,988,325	-	24,988,325	19,727,057	526,127	20,253,184	4,735,141	
Tools and equipment	154,960	-	154,960	146,885	808	147,693	7,267	10
Concrete mixer	300,000	-	300,000	284,501	1,550	286,051	13,949	10
Weighing scales	233,200	-	233,200	220,135	1,307	221,442	11,758	10
Furniture and fixtures	7,609,088	-	7,609,088	5,653,723	195,537	5,849,260	1,759,828	10
Tube well	1,292,880	-	1,292,880	877,055	41,583	918,638	374,242	10
Arms and ammunition	27,350	-	27,350	24,013	334	24,347	3,003	10
Bicycles	11,880	-	11,880	11,697	37	11,734	146	20
Motor vehicles	13,263,417	-	13,263,417	12,604,916	98,775	12,703,691	559,726	15
Total - 30/June/2018	1,049,604,342	-	1,049,604,342	654,261,692	32,505,320	686,767,012	362,837,330	

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		30 June 2019 Rupees	30 June 2018 Rupees
16.3 Depreciation for the year has been allocated as -			
Cost of sales	- note 24	-	-
Other operating expenses	- note 27	29,281,187	32,505,320
		29,281,187	32,505,320

16.4 Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets at 30 June 2019 and 30 June 2018 would be as under:

As at 30 June 2019

	Cost	Accumulated depreciation	Book value
	Rupees		
Freehold land	1,064,297	-	1,064,297
Buildings on freehold land			
- Factory	34,577,413	28,482,051	6,095,362
- Non factory	7,380,828	5,958,828	1,422,000
Plant and machinery	317,571,940	280,263,806	37,308,134
Electric installations	6,881,121	5,588,379	1,292,742
Laboratory equipment	6,692,987	6,403,361	289,626
	374,168,586	326,696,425	47,472,161

As at 30 June 2018

	Cost	Accumulated depreciation	Book value
	Rupees		
Freehold land	1,064,297	-	1,064,297
Buildings on freehold land			
- Factory	34,577,413	27,804,789	6,772,624
- Non factory	7,380,828	5,883,986	1,496,842
Plant and machinery	317,571,940	276,118,458	41,453,482
Electric installations	6,881,121	5,444,741	1,436,380
Laboratory equipment	6,692,987	6,371,180	321,807
	374,168,586	321,623,154	52,545,432

16.5 The valuer has not provided forced sale value of the revalued assets in its report.

16.6 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
48-km, Multan Road, Bhai pheru, District Kasur	Manufacturing facility	8.05

		30 June 2019 Rupees	30 June 2018 Rupees
17 LONG-TERM DEPOSITS			
Deposits with various institutions	- note 17.1	2,001,000	2,001,000

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17.1 These are interest free refundable deposits with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

		30 June 2019 Rupees	30 June 2018 Rupees
18 LONG-TERM ADVANCES			
Due from previously associated undertakings	- note 18.1	<u>15,650,727</u>	<u>15,650,727</u>

18.1 This represents the amount receivable from various companies which were previously associated undertakings but had been allocated by the Honorable Lahore High Court, Lahore to other families involved in ex-Ittefaq group. As refer note 9.2 and 15 to the financial statements.

		30 June 2019 Rupees	30 June 2018 Rupees
19 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		997,325	997,325
Spare parts and loose tools		4,730,214	4,730,214
Packing material		6,419,956	6,419,956
		<u>12,147,495</u>	<u>12,147,495</u>

19.1 Entire 'stores, spare parts and loose tools' have been carried at lower of cost and net realizable value.

		30 June 2019 Rupees	30 June 2018 Rupees
20 TRADE DEBTS			
Local debts (unsecured but considered good)		-	820,284

21 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Bank guarantee deposits		<u>507,100</u>	<u>507,100</u>

22 BALANCES DUE FROM GOVERNMENT			
Income tax recoverable	- note 22.1	-	-
22.1 Income tax recoverable			
At beginning of the year		-	48,317,839
Add: Income tax deducted / paid during the year		-	13,014
		-	48,330,853
Less: Provision for taxation	- note 30.1	-	(43,870)
Less: Adjusted (not recoverable)		-	(48,286,983)
At end of the year		-	-

		30 June 2019 Rupees	30 June 2018 Rupees
23 CASH AND BANK BALANCES			
With banks (on current accounts)		<u>246,109</u>	<u>683,824</u>

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	30 June 2019 Rupees	30 June 2018 Rupees
24 COST OF SALES		
Adjustment of finished goods		
Opening stocks	-	3,236,446
Impairment of stocks	-	(3,236,446)
Less: Closing stocks	-	-
	-	-
Total cost of sales	-	-
25 OTHER OPERATING INCOME		
Scrap sale	-	4,386,980
26 DISTRIBUTION AND MARKETING COST		
Advertisements	98,180	42,336
27 ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries and allowances	115,645	1,374,631
Vehicle running and maintenance	-	89,468
Repairs and maintenance	1,508	423,015
Traveling and conveyance	-	3,710
Printing and stationery	20,000	47,796
Communications	-	24,060
Electricity, gas and water	-	97,556
Entertainment	-	36,777
Legal and professional charges	158,689	1,868
Auditors' remuneration - note 27.1	100,000	425,000
Fee and subscription	348,675	200,209
Other expenses	-	1,094,217
	744,517	3,818,307
27.1 Auditors' remuneration		
Audit fee	75,000	400,000
Fee for interim review and other certifications	25,000	25,000
	100,000	425,000
28 OTHER OPERATING EXPENSES		
Impairments of stocks and stores, spare parts and loose tools	-	8,144,524
Depreciation on property, plant and equipment - note 16.3	29,281,187	32,505,320
Bad debts	-	1,094,236
Balance due from government not recoverable - written off - note 22.1	-	50,986,364
	29,281,187	92,730,444
29 FINANCE COST		
Bank charges and commission	1,308	107,955

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		30 June 2019 Rupees	30 June 2018 Rupees
30 TAXATION			
Current	- note 22.1	-	43,870
Deferred	- note 10.2	10,158,483	(16,579,990)
		10,158,483	(16,536,120)

30.1 Current year's taxation

No Provision of tax for current year has been provided in as the Company has NIL operations during the year.

30.2 Prior period assessments

While framing the assessment for tax year 2011 under section 221 of the Income Tax Ordinance 2001, the Deputy Commissioner Inland Revenue has disallowed adjustment of prior periods' refunds amounting to Rs. 5.491 million against which the Company has deposited an amount of Rs. 0.812 million in year 2013. The Company has filed an appeal against above order.

The tax council of the Company is of the view that there is every likelihood of the case to be decided in favour of the Company.

30.3 Numerical reconciliation between the average tax rate and the applicable tax rate

	30 June 2019 % age	30 June 2018 % age	30 June 2019 Rupees	30 June 2018 Rupees
Applicable tax rate	29.00%	30.00%	8,736,306	27,693,619
<i>Tax effects of amounts that are:</i>				
Inadmissible expenses	27.42%	10.03%	8,259,122	9,258,603
Difference in tax rates	-22.70%	-57.94%	(6,836,945)	(53,488,342)
Effective tax rate/tax	33.72%	-17.91%	10,158,483	(16,536,120)

30.4 Sufficiency of tax provision

As per the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

	2018	2017	2016
	----- Rupees -----		
Provision as per financial statements	43,870	1,065,997	174,369
Tax assessment	43,870	1,065,997	174,369

		30 June 2019	30 June 2018
31 LOSS PER SHARE (BASIC AND ANTI-DILUTIVE)			
Loss attributable to ordinary equity holders of the Company	(Rupees)	(40,283,675)	(75,775,942)
Weighted average number of ordinary shares	(Number)	10,700,000	10,700,000
Loss per share - basic and anti dilutive	(Rupees)	(3.76)	(7.08)

31.1 There is no anti dilutive effect on the basic loss per share of the Company. Moreover, there are no anti dilutive potential ordinary shares outstanding as at 30 June 2018 and 2017.

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	30 June 2019	30 June 2018
32 PLANT CAPACITY AND ACTUAL PRODUCTION		
Number of spindles installed	17,280	17,280
Installed capacity after conversion into 20 / S counts (Kgs.)	4,668,224	4,668,224
It is difficult to determine precisely production / rated capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, twist per inch and raw materials used etc.		
33 NUMBER OF EMPLOYEES		
Total number of employees (inclusive of contractual staff) at end of year	2	2
Average number of employees during the year	2	2

34 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

34.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

34.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

34.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 June 2019 Rupees	30 June 2018 Rupees
Trade debts	-	820,284
Bank balances	246,109	683,824
Long-term deposits	2,001,000	2,001,000
	2,247,109	3,505,108

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34.2.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

- **(a) Counterparties without external credit ratings**

The trade debts as at the balance sheet date are classified in Pak Rupees. The aging of trade debts at the balance sheet date is as follows:

Past due 0 - 30 days	-	-
Past due 31 - 60 days	-	534,455
Past due 61 - 365 days	-	285,829
	<u>-</u>	<u>820,284</u>

The Company has a policy for provision for doubtful receivables based upon the age analysis which is being implemented. Based on age analysis, relationship with customers and past experience the management does not expect any party to fail to meet their obligations. The management believes that trade debts are considered good and hence no impairment allowance is required in this regard.

- **(b) Other financial assets**

Based on past experience the management believes that no impairment allowance is necessary in respect of long term deposits and loans and advances as there are reasonable grounds to believe that these balances will be recovered.

- **(c) Counterparties with external credit ratings**

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating		Agency
	Short-term	Long-term	
Habib Bank	A-1+	AAA	JCR-VIS
MCB Bank	A1+	AAA	PACRA
United Bank	A-1+	AAA	JCR-VIS
Bank Alfalah	A1+	AA+	PACRA
Faysal Bank	A1+	AA	PACRA
The Bank of	A1+	AAA	PACRA
JS Bank Limited	A1+	AA	PACRA
Soneri Bank	A1+	AA-	PACRA
SME Bank	B	AA-	PACRA
Habib	A1+	B-	PACRA
Meezan Bank	A-1+	AA+	JCR-VIS
Allied Bank	A1+	AA+	PACRA
Summit Bank	A-1	AAA	JCR-VIS
Bank Al Habib	A1+	A-	PACRA
Silk Bank	A-2	AA+	JCR-VIS

34.2.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

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	30 June 2019 Rupees	30 June 2018 Rupees
Customers	-	820,284
Banks	246,109	683,824
	<u>246,109</u>	<u>1,504,108</u>

34.3 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements.

Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

34.3.1 Exposure to liquidity risk

(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities of financial liabilities:

2019				
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Not later than 1 year</i>	<i>Later than 1 year</i>
Long-term finances	226,769,487	226,775,893	-	226,775,893
Trade and other payables	113,306,877	113,306,877	113,306,877	-
Short-term borrowings	68,180,179	84,970,754	84,970,754	-
	<u>408,256,543</u>	<u>425,053,524</u>	<u>198,277,631</u>	<u>226,775,893</u>
2018				
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Not later than 1 year</i>	<i>Later than 1 year</i>
	<i>----- Rupees in</i>			
Long-term finances	226,682,011	226,688,417	-	226,688,417
Trade and other payables	113,808,350	113,808,350	113,808,350	-
Short-term borrowings	68,180,179	84,970,754	84,970,754	-
	<u>408,670,540</u>	<u>425,467,521</u>	<u>198,779,104</u>	<u>226,688,417</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

34.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is not exposed to currency risk as all transactions are carried out in domestic currency.

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Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

34.4.1 Fixed rate financial instruments

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

34.4.2 Variable rate instruments

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	-----%-----		-----Rupees-----	
Short term borrowings	<u>3M KIBOR + 3%</u>	<u>3M KIBOR + 3%</u>	<u>68,180,179</u>	<u>68,180,179</u>

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss as the Company is in litigation with the financial institutions and not charging any mark-up on these borrowings.

34.4.2 Price risk management

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

35 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are (Level 2)
observable for the asset either directly (that is, derived from
- Inputs for the asset or liability that are not based on observable (Level 3)
market data (that is, unadjusted) inputs

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value

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35 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for maintenance of debt to equity ratio under the financing agreements.

	30 June 2018 Rupees	30 June 2017 Rupees
Total borrowings	294,949,666	294,862,190
Less: Cash and bank balance	246,109	683,824
Net debt	294,703,557	294,178,366
Total Equity	(125,663,519)	(87,822,606)
Total capital	169,040,038	206,355,760
Gearing ratio	174%	143%

36 TRANSACTIONS WITH RELATED PARTIES

36.1 Disclosure of transactions between the Company and related parties

The related parties of the Company comprise of associated undertakings, directors of the Company, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements. Significant transactions with related parties other than disclosed elsewhere in the financial statements are as follows:

Nature of relation	Nature of transactions	30 June 2019 Rupees	30 June 2018 Rupees
Directors	Loan received	87,476	3,744,391

36.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company Name	Basis of relationship
Barkat Textile Mills Limited	By virtue of common management and directorship
Ramzan Buksh Textile Mills Limited	By virtue of common management and directorship
Ittefaq Textile Mills Limited	By virtue of common management and directorship
Ittefaq Foundries (Private) Limited	By virtue of common management and directorship
Brother Textile Mills Limited	By virtue of common management and directorship

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year as remuneration and benefits of the chief executive officer, directors and executives of the Company are as follows:

37.1 No remuneration has been paid to directors, chief executive and executives during current and last year.

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	<i>Carrying Amount</i>				<i>Fair Value</i>			
	<i>As at 30 June 2019</i>							
	<i>Fair value through profit or loss</i>	<i>Amortized cost</i>	<i>Other financial liabilities</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>----- Rupees -----</i>							
Financial instruments on reporting date								
<i>Financial assets measured at fair value</i>	-	-	-	-	-	-	-	-
<i>Financial assets not measured at fair value</i>								
Trade deposits	507,100	-	-	507,100	-	-	-	-
Bank balances	246,109	-	-	246,109	-	-	-	-
	753,209	-	-	753,209	-	-	-	-
<i>Financial liabilities measured at fair value</i>	-	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>								
Long term finances	-	-	226,769,487	226,769,487	-	-	-	-
Unclaiemes dividend	-	-	24,058,182	24,058,182	-	-	-	-
Trade payables	-	-	113,306,877	113,306,877	-	-	-	-
Accrued mark-up	-	-	16,790,575	16,790,575	-	-	-	-
Short term borrowings	-	-	68,180,179	68,180,179	-	-	-	-
	-	-	449,105,300	449,105,300	-	-	-	-

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	Carrying Amount				Fair Value			
	----- As at 30 June 2018 -----							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- Rupees -----							
Financial instruments on reporting date								
<i>Financial assets measured at fair value</i>	-	-	-	-	-	-	-	-
<i>Financial assets not measured at fair value</i>								
Trade debts	820,284	-	-	820,284	-	-	-	-
Trade deposits	507,100	-	-	507,100	-	-	-	-
Bank balances	683,824	-	-	683,824	-	-	-	-
	<u>2,011,208</u>	<u>-</u>	<u>-</u>	<u>2,011,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Financial liabilities measured at fair value</i>	-	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>								
Long term finances	-	-	226,682,011	226,682,011	-	-	-	-
Unclaimed dividend	-	-	24,058,182	24,058,182	-	-	-	-
Trade payables	-	-	113,808,350	113,808,350	-	-	-	-
Accrued mark-up	-	-	16,790,575	16,790,575	-	-	-	-
Short term borrowings	-	-	68,180,179	68,180,179	-	-	-	-
	<u>-</u>	<u>-</u>	<u>449,519,297</u>	<u>449,519,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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FOR THE YEAR ENDED 30 JUNE 2019

39 RECLASSIFICATIONS AND RE-ARRANGEMENTS

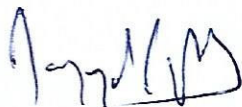
Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.

40 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURED DURING THE YEAR

There is no significant transaction or event occurred during the year.

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 07 October 2019 .



Chief Executive Officer



Director



Chief Financial Officer

Lahore.



FORM OF PROXY

KHALID SIRAJ TEXTILE MILLS LIMITED

I/We _____
of _____ being member(s) of Khalid Siraj Textile Mills Limited
under Member Register Folio No. _____ and/or CDC Participant ID No./Sub-Account
No./Investor Account No. _____ and holder of _____ ordinary shares
hereby appoint Mr./Mrs./Miss _____ who is also a
member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on
my/our behalf at the 32nd Annual General Meeting of the Company to be held at the Registered
Office of the Company, 135-Upper Mall, Lahore on Monday, **October 28**, 2019 at 11:30 a.m. or at any
adjournment thereof.

As witness my/our hand(s) this _____ day of 2019
signed by the said _____ in the presence of

1. Witness:

Signature _____
Name _____
CNIC _____

Affix Revenue
Stamps of Rs.5/-

Signature of Member

2. Witness:

Signature _____
Name _____
Address _____

Shareholder's Folio No. _____
CDC Participant I.D/Sub A/c # _____
CNIC _____

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office 135-Upper Mall, Lahore, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.
3. An individual beneficial owner of CDC, entitled to attend any vote at this meeting, must bring his/her NIC/Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her NIC/Passport. Representative of corporate members should bring the original usual documents required of such purpose.
4. No person shall act as proxy unless he is member of the Company.



پراسی فارم (مختارنامہ) خالد سراج ٹیکسٹائل ملز لمیٹڈ

میں ام
ساکن

بحیثیت رکن خالص سراج ٹیکسٹائل ملز لمیٹڈ برطانیہ ممبر رجسٹرڈ فلیڈ نمبر _____ اور لیا سی ڈی سی پارٹیشنڈ آئی ڈی نمبر اسب اکاؤنٹ نمبر / اونیٹر اکاؤنٹ نمبر _____
اور مالک _____ عام حصص بذریعہ ذمہ دار / ممبر _____

جو کچھ کارکن بھی ہے،

کو اپنے / ہمارے ایما پر کچھ کے رجسٹرڈ دفتر 135 اپ مال، لاہور میں بروز سوموار 28 اکتوبر 2019 کو صبح 11:30 بجے منعقد ہونے والے کچھ کے 32 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراسی) مقرر کرنا ہوں / کرتے ہیں۔

آج بروز تاریخ 2019 کو میرے / ہمارے دھخلا اور گواہوں کی تصدیق سے جاری ہوا۔

-/5 روپے کارسیدی ٹکٹ

یہاں چسپاں کریں

گواہان

1-

دھخلا:

نام:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پتہ:

2-

دھخلا:

نام:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پتہ:

نوٹ:

1۔ پراسیاں تاکہ عذر ہو سکیں، کچھ کے رجسٹرڈ دفتر، 135 اپ مال، لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں اور باقاعدہ مہر، دھخلا اور گواہی شدہ ہونی چاہئیں۔

2۔ دھخلا کچھ کے ہاں رجسٹرڈ نمونہ دھخلوں کے مطابق ہونے چاہئیں۔

3۔ سی ڈی سی کا ایک انفرادی متغیض اور اجلاس ہذا میں شرکت اور حق رائے دہی استعمال کرنے کا اہل، اپنی شناخت ثابت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ پاسپورٹ لازماً ہر اہل لائے، اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ پاسپورٹ کی تصدیق لازماً منسلک کریں۔

کارپورٹ ممبران کے نمائندہ کو ایسے مقصد کے لئے ضروری معمول کی اصل دستاویزات ہر اہل لانی چاہئیں۔

4 کوئی شخص بطور پراسی کام نہیں کر سکتا جب تک وہ کچھ کا ممبر نہ ہو۔

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