

QUARTERLY ACCOUNTS

31st March 2020

KHYBER TEXTILE MILLS LIMITED



COMPANY INFORMATION

| | |
|--|---|
| CHAIRMAN | Mr. Aurangzeb Khan |
| CHIEF EXECUTIVE | Mr. Adam Jadoon |
| DIRECTORS | Mr. Nasir Khan Mr. Adam Jadoon Mr. Amanullah Khan Mr. Omar Farid Jadoon Mr. Muhammad Bahauddin Mrs. Aamna Jadoon Mr. Aurangzeb Khan |
| AUDIT COMMITTEE | |
| CHAIRMAN | Mr. Nasir Khan |
| MEMBER | Mr. Muhammad Bahauddin |
| MEMEBER | Mrs. Aamna Jadoon |
| HR COMMITTEE | |
| CHAIRMAN | Mr. Nasir Khan |
| MEMBER | Mr. Amanullah Khan |
| MEMBER | Mrs. Aamna Jadoon |
| SECRETARY | Mr. Sadaqat Khan |
| C.F.O | Mr. Taj Muhammad |
| AUDITORS | Tanwir Arif and Company Chartered Accountants |
| SHARE REGISTRAR | F.D. Registrar Services (SMC-Pvt) Ltd |
| REGISTERED OFFICE & HEAD OFFICE | Khyber Textile Mills Ltd. Baldher, District Haripur, Khyber Pakhtunkhawa |
| MILLS | Baldher, District Haripur, Khyber Pakhunkhawa |

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KHYBER TEXTILE MILLS LIMITED

DIRECTORS' REPORT

The Management of your Company is placing before you the 3rd quarter accounts of KTML for the period ending 31st March 2020. The Board of Directors reviewed the restrictions on access to credit due to the ongoing litigation, the closure of textile activity, the successful operation of alternative business activities and finally the negative effect of the COVID-19 lockdown on the Company's current operations.

It was explained that the main obstacle facing the Company has been the restriction on access to credit facilities due to the litigation pending in the High Courts initiated by the Banks to recover imaginary liabilities. It was noted by the BOD that the banks were delaying the finalization of litigation so as to extend their financial squeeze and pressurize the Company to give into their wrong demands. Hence the resumption of textiles operations is not possible in the current environment. Nonetheless, efforts are being made by the Company's attorneys to obtain further favorable decisions from the Courts in order to end the credit restrictions.

As per decisions made during previous AGMs and per the BODs instructions and approval, we are pleased to report that the Company has generated other sources of revenue during the period under review. Management has been successful in renting some of its excess empty buildings for warehousing and commercial activity. With this stream of funding Management has repurposed the majority of its empty land for agricultural activity and has successfully established a Livestock Farm for the purchasing, rearing and sale of livestock.

Furthermore, Management has been pursuing the Company's change of name application to the AGM approved "*Khyber Textile Mills and Agricultural Business Limited*". The application is under process and we are hopeful that this change will be approved by the Registrar of Companies in due course.

However, it must be noted that the purchasing and sales of livestock along with our rental business has been negatively affected by the onset of the COVID-19 pandemic and subsequent Government restrictions on business activities towards the end of the 3rd quarter.

In spite of all odds, the Management is successfully defending the Company's interests in the High Courts, covering expenses, generating revenue and operating as an active taxpayer. Moreover, the Company is investing in and creating business activity on its property which is reflected in these financial reports.



Adam Jadoon
Chief Executive



Muhammad Bahauddin
Director

Dated: 24th April 2020
Baldher Haripur

KHYBER TEXTILE MILLS LIMITED

ڈائریکٹر رپورٹ

آپ کی کمپنی کی انتظامیہ آپ کے سامنے پہلے نو ماہ کے اکاؤنٹس 31 مارچ 2020 تک پیش کر رہی ہے۔ بورڈ آف ڈائریکٹرز نے کمپنی کی ٹیکسٹائل پیداوار کی بندش، عدالتی مقدمات، قرضوں پر پابندی، اور متبادل کاروبار کی کامیابی کا جائزہ لیا۔ ملک میں موجودہ کرونا وائرس کے باعث لاک ڈاؤن کی وجہ سے مجموعی کاروبار پر اثرات کو بھی زیر غور لایا گیا۔

اس بات پر بھی بحث کی گئی کہ کمپنی کی پیداوار کی بندش کی راہ میں سب سے بڑی رکاوٹ سرمایہ کا نہ ہونا ہے۔ عدالت میں کیس کی وجہ سے بینکوں سے قرض لینے پر بھی پابندی ہے جس کی وجہ سے ٹیکسٹائل پیداوار شروع نہیں کی جاسکی۔ بورڈ کو یہ بھی بتایا گیا ہے کہ عدالتی کیسز میں بینک جان بوجھ کر التوا دے رہے ہیں۔ ہمارے وکلاء بھرپور کوشش کر رہے ہیں کہ ان کیسز کا فیصلہ ہو جائے۔

جیسا کہ پچھلی سالانہ میٹنگز اور بورڈ میٹنگز میں یہ اجازت لی گئی تھی کہ کوئی اور کاروبار کر کے روزمرہ کے امور چلائے جائیں۔ اس سلسلے میں کمپنی نے اپنے گودام کرائے پر دیئے اور ساتھ ہی زرعی کاروبار (لائوسٹاک فارم) شروع کیا اور اس عرصہ کے دوران کمپنی نے مناسب آمدن حاصل کی۔ مزید کمپنی نے نام کی تبدیلی (خیبر ٹیکسٹائل ملز اینڈ ایگریکلچرل بزنس لمیٹڈ) کی جو درخواست رجسٹر آف کمپنیز کو دی تھی اس پر امید ہے جلد ہی اجازت دی جائے گی۔

ملک میں وبائی مرض کرونا وائرس (covid-19) کے پھیلنے سے حکومت کی طرف سے لگائے گئے لاک ڈاؤن کی وجہ سے کاروباری سرگرمیاں رک گئی ہیں اور اسی وجہ سے ہمارے لائوسٹاک بزنس کے لئے جانوروں کی خرید و فروخت اور رینٹل انکم پر بھی منفی اثرات پڑے ہیں۔

تمام تر مشکلات کے باوجود کمپنی روزمرہ کے اخراجات عدالتی اخراجات تنخواہیں اور دیگر اخراجات کے ساتھ ساتھ زرعی کاروبار (لائو سٹاک فارم) میں بھی سرمایہ کاری کر رہی ہے۔



محمد بہاؤ الدین
ڈائریکٹر



آدم جدون
چیف ایگزیکٹو آفیسر

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
As at 31 March, 2020
(UNAUDITED)

| <i>Nine months ended 31 March</i> | | <i>Three months ended 31 March</i> | |
|-----------------------------------|------|------------------------------------|------|
| 2020 | 2019 | 2020 | 2019 |
| (Rupees) | | (Rupees) | |

| | | | | |
|---------------------------------|---------------------|---------------------|--------------------|--------------------|
| Sales (Net) | 7,897,600 | 3,044,000 | 121,500 | 100,000 |
| Cost of Sales | 7,017,454 | 2,241,950 | 100,290 | 76,400 |
| Gross profit | 880,146 | 802,050 | 21,210 | 23,600 |
| Operating Expenses: | | | | |
| Administrative | 13,638,731 | 11,231,522 | 4,288,765 | 3,443,509 |
| Operating Loss | (12,758,585) | (10,429,472) | (4,267,555) | (3,419,909) |
| Other Income - rent | 5,354,630 | 5,385,845 | 1,685,485 | 1,913,245 |
| Finance cost | 5,410 | 16,310 | 1,618 | 11,403 |
| Loss before tax | (7,409,365) | (5,059,937) | (2,583,688) | (1,518,067) |
| Provision for Taxation-Deferred | (4,049,454) | (2,888,967) | (818,109) | (571,623) |
| Loss after tax | (3,359,911) | (2,170,970) | (1,765,579) | (946,444) |

The annexed notes from 1 to 10 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
As at 31 March, 2020
(UNAUDITED)

| <i>Nine months ended 31 March</i> | | <i>Three months ended 31 March</i> | |
|-----------------------------------|------|------------------------------------|------|
| 2020 | 2019 | 2020 | 2019 |
| (Rupees) | | (Rupees) | |

| | | | | |
|--|--------------------|--------------------|--------------------|------------------|
| Net loss after taxation | (3,359,911) | (2,170,970) | (1,765,579) | (946,444) |
| Other Comprehensive Income | | | | |
| Income from agriculture | 95,000 | 137,000 | 30,000 | 63,500 |
| Total Comprehensive Loss for the Period | <u>(3,264,911)</u> | <u>(2,033,970)</u> | <u>(1,735,579)</u> | <u>(882,944)</u> |
| Loss per share | (2.73) | (1.76) | (1.44) | (0.77) |

The annexed notes from 1 to 10 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
As at 31 March, 2020
(UNAUDITED)

7

| | 31 March, 2020 | 30 June 2019 |
|--|------------------|------------------|
| | (Rupees) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss after tax | (3,359,911) | (5,416,783) |
| Adjustment of Non Fund Items: | | |
| Provision for Taxation-Deferred | (4,049,454) | - |
| Depreciation | 9,902,243 | 9,562,128 |
| Gain Arising from changes in Fair Value of Biological Assets | (1,845,192) | (1,845,192) |
| | 5,852,789 | 7,716,936 |
| | 2,492,878 | 2,300,153 |
| (Increase)/Decrease in Current Assets | | |
| Livestock | 3,271,390 | (832,308) |
| Animal food - bhosa & daana | (715,496) | 90,930 |
| | 2,555,894 | (714,378) |
| Increase/(Decrease) in Current Liabilities | | |
| Trade & Other Payables | (185,060) | 66,768 |
| | (185,060) | 66,768 |
| | 2,370,834 | 1,625,543 |
| Cash generated from operations | | |
| Sundry income | 95,000 | 217,000 |
| Taxes paid | (1,147,328) | (1,641,233) |
| Net Cash Generated from operating activities | 3,811,384 | 201,310 |
| CASH OUT FLOW DUE TO FINANCING ACTIVITIES | | |
| Long Term Loan | (440,000) | (350,000) |
| Net Increase/(Decrease) in Cash | 3,371,384 | (148,690) |
| Cash and Cash Equivalents at the beginning of the year | 44,094 | 192,784 |
| Cash and Cash Equivalents | 3,415,478 | 44,094 |

The annexed notes from 1 to 10 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
As at 31 March, 2020
(UNAUDITED)

| | Share Capital | Capital Reserves | Unappropriated Profit & Loss | Revaluation surplus on fixed assets | Total |
|--|--------------------------|-----------------------------|---|--|--------------------|
| | (Rupees) | | | | |
| Balance as on 30 June, 2018 | 12,275,030 | 257,782 | (15,472,199) | 346,856,455 | 343,917,068 |
| Loss for the period | - | - | (1,224,526) | - | (1,224,526) |
| Other Comprehensive income for the period | - | - | 73,500 | - | 73,500 |
| Total comprehensive loss | - | - | (1,151,026) | - | (1,151,026) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation, net of deferred tax. | - | - | 3,897,325 | (3,897,325) | - |
| Balance as on 31, Dec, 2018 | 12,275,030 | 257,782 | (12,725,900) | 342,959,130 | 342,766,042 |
| Balance as on 30 June, 2019 | 12,275,030 | 257,782 | (10,917,218) | 905,163,104 | 906,778,698 |
| Loss for the period | - | - | (3,359,911) | - | (3,359,911) |
| Other Comprehensive income for the period | - | - | 95,000 | - | 95,000 |
| Total comprehensive loss | - | - | (3,264,911) | - | (3,264,911) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation, net of deferred tax. | - | - | 9,144,385 | (9,144,385) | - |
| Balance as on 31 March, 2020 | 12,275,030 | 257,782 | (5,037,744) | 896,018,719 | 903,513,787 |

The annexed notes from 1 to 10 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director

KHYBER TEXTILE MILLS LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

As at 31 March, 2020

(UNAUDITED)

1 STATUS AND NATURE OF BUSINESS

Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August, 1961 under the Companies Act, 1913 (Now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The principal activities of the company was manufacturing and sale of cotton / polyester yarn, however due to external factors production has been halted.

The Company has initiated alternative business activities of renting its excess buildings from FY 2016 and has also established an Agricultural Livestock Business on its open land since FY 2017. The registered office of the Company is situated at Baldher, District Haripur, Khyber Pakhtunkhawa.

2 BASIS FOR PREPARATION OF ACCOUNTS

- 2.1** This condensed interim financial statements is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is unaudited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

This condensed interim financial statements comprises the condensed interim financial position of the Company as at 31 March, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

This condensed interim financial statements of the Company for the nine month period ended 31 March, 2020 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June, 2019.

- 2.2** Comparative financial position numbers are extracted from the annual financial statement of the Company from the year ended 30 June, 2019.
- 2.3** The company's financial risk objectives and policies are consistent with those disclosed in the preceding annual financial statements for the year ended 30 June, 2019.
- 2.4** The accounting policies and methods of computation adopted in the preparation of annual financial statements for the preceding year ended 30 June, 2019 have been consistently applied in the preparation of these interim financial statements.

NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
KHYBER TEXTILE MILLS LIMITED
(UNAUDITED)

| 31 March, 2020 | 30 June, 2019 |
|---------------------------|--------------------------|
| (Rupees) | |

3 TRADE AND OTHER PAYABLES

| | | |
|----------------------|-------------------|-------------------|
| Trade Creditors | 24,249,834 | 24,249,834 |
| Advance against rent | - | 81,070 |
| Accrued Liabilities | 180,800 | 284,790 |
| Other Liabilities | 28,558 | 28,558 |
| | 24,459,192 | 24,644,252 |

4 CONTINGENCIES & COMMITMENTS

Contingencies reported in the preceding annual financial statements remain un-changed.

5 PROPERTY PLANT & EQUIPMENT

| | | |
|--|--------------------|--------------------|
| Cost - Opening Balance | 1,274,600,879 | 1,274,600,879 |
| Revaluation during the period | - | - |
| Addition/ deletion during the period | - | - |
| | 1,274,600,879 | 1,274,600,879 |
| Accumulated Depreciation - Opening Balance | 275,323,708 | 265,761,580 |
| Adjustment on disposal | - | - |
| Depreciation for the period | 9,902,243 | 9,562,128 |
| | 285,225,951 | 275,323,708 |
| Written down value | 989,374,928 | 999,277,171 |

6 STORES & SPARES

| | | |
|---|-------------|-------------|
| General Store | 3,000,000 | 3,000,000 |
| Less: Provision for diminution in value | (3,000,000) | (3,000,000) |
| | - | - |

NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
KHYBER TEXTILE MILLS LIMITED
(UNAUDITED)

7 CASH & BANK BALANCES

| | | |
|--------------------------------|------------------|---------------|
| Cash in hand | 496,632 | 29,052 |
| Cash at bank - Current Account | 2,918,846 | 15,042 |
| | 3,415,478 | 44,094 |

8 TRANSACTIONS WITH RELATED PARTIES

| | | |
|---|-----------|-----------|
| i) Purchase of goods and services | - | - |
| ii) Sales of goods and services | - | - |
| iii) Brokerage, discount and commission | - | - |
| a) loan received /(returned) | | |
| <i>Director Loan</i> | (440,000) | (350,000) |
| v) Any other transaction | - | - |

9 DATE OF AUTHORIZATION

These interim financial statements were authorized for issue on 24th April 2020 by the Board of Directors of the Company.

10 GENERAL

Figures in these interim financial statements have been rounded off to the nearest rupees.



Chief Executive



Chief Financial Officer



Director

