



# KHALID SIRAJ TEXTILE MILLS LIMITED

135-UPPER MALL, LAHORE

Tel: +92-42-35761706-07, Fax: +92-42-35761708

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

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

21<sup>st</sup> February 2022

**The Securities & Exchange Commission of Pakistan,**  
Securities Market Division,  
NIC Building, Blue Area,  
63-Jinnah Avenue,  
**Islamabad**

**The General Manager,**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building, Stock Exchange Road,  
**Karachi.**

**The General Manager,**  
Pakistan Stock Exchange Limited,  
19-Khayaban-e-Aiwan-e-Iqbal,  
**Lahore.**

Dear Sirs,

**Subject: Inside/Material Information**

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Regulation 5.6.1(a) of the Pakistan Stock Exchange Rule Book, we hereby convey the following information:

“The auditors, In their opinion and to the best of their information and according to the explanation given to them, because of the significance of the matters as discussed on basis for adverse opinion paragraph do not give a true and fair view of the state of the Company's affairs as at December 31, 2021. They have drawn attention of the members to the financial statements which describes at the close of the half year ended 31 Dec 2021, that The Company has incurred a net loss of Rs. 0.531 million (Dec 2020: Rs. 2.251 million) resulting in accumulated losses of Rs. 419.282 million (30 Jun 2021: Rs. 427.556 million) at the close of the half year ended 31 Dec 2021. The Company's current liabilities exceed its current assets by Rs. 163.651 million (30 Jun 2021: Rs. 173.327 million). Further an order has been 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. Moreover, the Company has entered into a lease agreement of its Land, building along with Plant and Machinery after passing a special resolution dated: 30 April, 2021 and operational activities to ASM Industries Private Limited to earn rentals. As per the terms of the agreement significant portion of rentals is withheld by the tenant for overhauling of plant and machinery and replacement of old machinery parts for smooth functioning. 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. However, the financial statements are prepared on going concern basis.”

Disclosure Form as required under section 96 and 131 of the Securities Act, 2015 is attached herewith.

You may inform the members of your Exchange accordingly.

Yours sincerely,

For and on behalf of  
**Khalid Siraj Textile Mills Limited**

**Khalid Siraj Textile Mills Ltd.**

Haji Tariq Samad  
Company Secretary





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## DISCLOSURE FORM IN TERMS OF THE SECTION 96 AND 131 OF THE SECURITIES ACT, 2015

Name of the Company : Khalid Siraj Textile Mills Limited  
Date of Report :  
Name of Company as specified in its Memorandum : Khalid Siraj Textile Mills Limited  
Address of Registered Office : 135-Upper Mall, Lahore  
Contact Information : Company Secretary Lahore

Disclosure of Inside Information by listed company in terms of Section 96 and 131 of the Securities Act, 2015 and Regulation 5.6.1(a) of the Pakistan Stock Exchange Rule Book,

"The auditors, In their opinion and to the best of their information and according to the explanation given to them, because of the significance of the matters as discussed on basis for adverse opinion paragraph do not give a true and fair view of the state of the Company's affairs as at December 31, 2021. They have drawn attention of the members to the financial statements which describes at the close of the half year ended 31 Dec 2021, that The Company has incurred a net loss of Rs. 0.531 million (Dec 2020: Rs. 2.251 million) resulting in accumulated losses of Rs. 419.282 million (30 Jun 2021: Rs. 427.556 million) at the close of the half year ended 31 Dec 2021. The Company's current liabilities exceed its current assets by Rs. 163.651 million (30 Jun 2021: Rs. 173.327 million). Further an order has been 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. Moreover, the Company has entered into a lease agreement of its Land, building along with Plant and Machinery after passing a special resolution dated: 30 April, 2021 and operational activities to ASM Industries Private Limited to earn rentals. As per the terms of the agreement significant portion of rentals is withheld by the tenant for overhauling of plant and machinery and replacement of old machinery parts for smooth functioning. 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. However, the financial statements are prepared on going concern basis."

Pursuant to the requirements of the Securities Act, 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

For and on behalf of  
Khalid Siraj Textile Mills Limited  
Khalid Siraj Textile Mills Ltd.  
Haji Tariq Samad  
Company Secretary