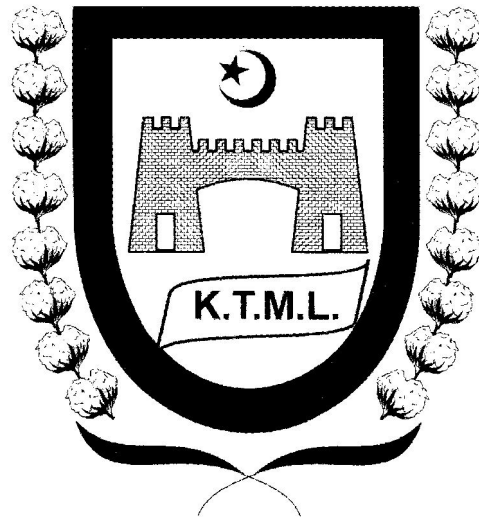


62st  
ANNUAL REPORT  
FOR THE YEAR  
2023



*Khyber Textile Mills Limited*

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

شروع اللہ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے

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**COMPANY INFORMATION**

<b>CHAIRMAN</b>	Mr. Aurangzeb Khan
<b>CHIEF EXECUTIVE</b>	Mr. Adam Jadoon
<b>DIRECTORS</b>	Mr. Aurangzeb Khan Mr. Adam Jadoon Mr. Hassan Ovais Mr. Nusrat Iqbal Mr. Amanullah Khan Jadoon Mr. Muhammad Bahauddin Mrs. Aamna Jadoon
<b>AUDIT COMMITTEE</b>	
<b>CHAIRMAN</b>	Mr. Nusrat Iqbal
<b>MEMBER</b>	Mrs. Aamna Jadoon
<b>MEMBER</b>	Mr. Muhammad Bahauddin
<b>HR &amp; R COMMITTEE</b>	
<b>CHAIRMAN</b>	Mr. Nusrat Iqbal
<b>MEMBER</b>	Mr. Muhammad Bahauddin
<b>MEMBER</b>	Mr. Adam Jadoon
<b>SECRETARY</b>	Mr. Sadaqat Khan
<b>C.F.O</b>	Mr. Taj Muhammad
<b>AUDITORS</b>	M/s Clarkson Hyde Saud Ansari Chartered Accountants
<b>SHARE REGISTRAR</b>	F.D. Registrar Services (SMC-Pvt) Ltd
<b>REGISTERED OFFICE &amp; HEAD OFFICE</b>	Khyber Textile Mills Ltd. Baldher, District Haripur, Khyber Pakhtunkhwa
<b>MILLS</b>	Baldher, District Haripur, Khyber Pakhtunkhwa

**Website address:-** [www.khybertextile.com](http://www.khybertextile.com)  
**Email Address:-** [info@khybertextile.com](mailto:info@khybertextile.com)  
**Phone No:-** 0995-655048

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**VISION STATEMENT**

To remain a contributor in the local market and with dedication to serve the needs of our valued customers, by catering to the requirements of the public at large.

**MISSION STATEMENT**

The Company is situated in a remote area of Khyber Pakhtunkhwa; it has the following two missions:

- Number one:** To contribute to the economy through our business activities, thereby making a humble contribution to the local and national sectors.
- Number two:** To provide employment to the residents of the surrounding areas, while improving their skills through training and development.

**STATEMENT OF ETHICS AND BUSINESS PRACTICES**

The Organization of Khyber Textile Mills Limited (KTML) will be guided by the following principles in achieving its organizational objectives by ensuring that:

- Company affairs are being carried out within the framework of existing laws and regulations.
- Accuracy of the books, record of the Company and its safe custody.
- Respect for employees, suppliers, agents, customers and shareholders.
- To safeguard against improper payments or inappropriate use of the Company's Assets.
- Timely payment of amounts due to employees, agents and suppliers.
- To strive for a healthy and safe environment.
- A drive to ensure that KTML succeeds as a business.

The dealing of Khyber Textile Mills with all stakeholders, including Government and Financial Institutions is based on business ethics. Furthermore, in maintaining accounting and financing policies and procedures, KTML is guided by the Companies Act 2017, Code of Corporate Governance and Corporate Regulations.

**KEY OPERATING AND FINANCIAL DATA**

	(Rupees in '000)					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>OPERATING:</u></b>						
Net Sales	27,104	14,592	9,618	8,062	3,516	1,750
Gross (Loss) Profit	7,677	3,776	1,672	1,417	1,096	(1,034)
Operating Profit/(Loss)	(4,528)	(6,245)	(9,880)	(9,800)	(5,096)	(7,848)
Pre Tax Profit/(Loss)	(4,528)	(6,245)	(9,880)	3,999	(5,416)	(8,942)
After Tax Profit/(Loss)	(3,916)	(5,210)	5,411	2,125	(3,546)	(10,707)
Tangible Fixed Assets	952,750	962,932	973,973	986,074	999,277	428,152
Long Term Deposit	89	89	89	89	89	89
	<b><u>952,839</u></b>	<b><u>963,021</u></b>	<b><u>974,062</u></b>	<b><u>986,163</u></b>	<b><u>999,366</u></b>	<b><u>428,241</u></b>
Current Assets	13,439	11,382	8,901	8,989	8,256	5,688
Current Liabilities	(8,353)	(10,626)	(28,207)	(47,424)	(54,585)	(26,089)
Working Capital	<b><u>3,086</u></b>	<b><u>756</u></b>	<b><u>(19,306)</u></b>	<b><u>(38,435)</u></b>	<b><u>(46,329)</u></b>	<b><u>(20,401)</u></b>
Share Capital	12,275	12,275	12,275	12,275	12,275	12,275
Accumulated Losses	<b><u>(13,117)</u></b>	<b><u>(16,700)</u></b>	<b><u>(19,607)</u></b>	<b><u>(33,842)</u></b>	<b><u>(10,917)</u></b>	<b><u>(15,472)</u></b>

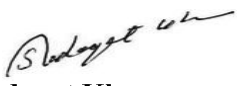
## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 62<sup>nd</sup> Annual General Meeting of the Shareholders of KHYBER TEXTILE MILLS LIMITED will be held on Thursday, the 26<sup>th</sup> of October 2023 at the Registered Office of the Company, Baldher, District Haripur, Khyber Pakhtunkhwa at 10:00 am to transact the following business.

### Ordinary Business:

1. To confirm the minutes of the 61<sup>st</sup> Annual General Meeting of the Shareholders held on 21<sup>st</sup> of October, 2022.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June, 2023 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company for the year 2023-2024 and to fix their remuneration. The Board of Directors has recommended that the retiring Auditors M/s Clarkson Hyde Saud Ansari Chartered Accountants, who have consented, be re-appointed to act as Auditors of the Company for the year 2023-2024.

BY ORDER OF THE BOARD  
For Khyber Textile Mills Limited

  
**Sadaqat Khan**  
Company Secretary  
26<sup>th</sup> September, 2023

### NOTES:

1. The Share transfer books of the Company will remain closed from 18<sup>th</sup> October 2023 to 26<sup>st</sup> October, 2023 (both days inclusive). Physical transfers / CDC Transactions IDs received at the Company's Registrar (F.D. Registrar Services) at close of business on 17<sup>th</sup> October 2023 will be considered in time to determine the above-mentioned entitlement and to attend and vote at the meeting.
2. Members attending the Meeting shall bring along their original Computerized National Identity Card (CNIC) or Passport at the time of attending the Meeting.
3. A Member of the Company entitled to attend and vote at the General Meeting may only appoint another Member as proxy to attend and vote in place of the Member at the Meeting. Proxies to be effective must be received at the Company's registered office duly stamped and signed not later than 48 hours before the time of holding the Meeting. A Member cannot appoint more than one proxy. Copies of both the shareholder's and beneficial owners Computerized National Identity Card (CNIC) or Passport must be attached with the proxy form.
4. Members are requested to promptly notify any change in their mailing address, E mail address and contact details to the Company Share Registrar Office. Members, having physical shares, are advised to intimate any change in their registered address and shareholders who have not yet submitted photocopies of their CNIC are requested to send the same at the earliest.
5. Shareholders who wish to receive notice of the General Meeting through e-mail are requested to provide, through a letter duly signed by them, their particulars, i.e. Name, Folio/ CDC A/C No., E-mail Address, Contact Number and copy of CNIC.
6. Shareholders may participate in the meeting via video link facility. If the Company receives a demand (at least 7 days before the date of meeting) from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the meeting through video link, the Company will arrange video link facility in that city. Shareholders, who wish to participate through video link facility, are requested to fill in Video Link Facility Form available at Company's website and send a duly signed copy to the Registered Address of the Company. It may be noted that no person other than the Member(s) or proxy holder(s) can attend the meeting through video link facility.
7. Section 72 of the Companies Act, 2017 (Act) requires all Companies to replace shares issued by them in physical form with shares to be issued in Book-Entry-Form within a period not exceeding 4 years from the date of the promulgation of the Act. To ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form. For more information, please contact the Company's Share Registrar. (F.D Registrar Services (Private) Limited, 1705, 17<sup>th</sup> Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi.

## نوٹس برائے سالانہ اجلاس

اطلاع دی جاتی ہے کہ خیبر ٹیکسٹائل ملز لمیٹڈ کے شیئرز ہولڈرز کا 62 واں سالانہ اجلاس 26 اکتوبر 2023 بروز جمعرات صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس، بالڈھیر ضلع ہری پور، خیبر پختونخواہ میں مندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عام کاروبار:

- 1- 21 اکتوبر 2022 کو منعقدہ شیئرز ہولڈرز کی 61 ویں سالانہ جنرل میٹنگ کے منٹس کی تصدیق۔
- 2- 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ تصدیق شدہ مالیاتی گوشوارے ڈائریکٹرز اور آڈیٹرز رپورٹ کو وصول کرنے، ان پر غور کرنے کے لیے۔
- 3- سال 2023-2024 کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز کلارکسن ہائیڈروسودا انصاری چارٹرڈ اکاؤنٹنٹس کی سفارش کی ہے، جو ریٹائر ہو چکے ہیں اور اہل ہیں، انہوں نے سال 2023-2024 کے لیے کمپنی کے آڈیٹرز کے طور پر کام کرنے کے لیے دوبارہ تقرری کی پیشکش کی ہے۔

بورڈ کے حکم سے

خیبر ٹیکسٹائل ملز لمیٹڈ کے لیے

*(Signature)*

صدافت خان

کمپنی سیکریٹری

26 ستمبر، 2023

نوٹس:-

- 1- کمپنی کی حصص کی منتقلی کی کتاب میں 18 اکتوبر 2023 سے 26 اکتوبر 2023 (دونوں دن سمیت) بند رہے گی۔ 17 اکتوبر 2023 کو کاروبار کے اختتام پر کمپنی کے رجسٹرار (F.D. رجسٹرار سروسز) کو موصول ہونے والی فزیکل ٹرانسفر ڈی ڈی سی ٹرانزیکشنز آئی ڈی پر مذکورہ حقدار کا تعین کرنے اور میٹنگ میں شرکت اور ووٹ دینے کے لیے وقت پر غور کیا جائے گا۔
- 2- میٹنگ میں شرکت کرنے والے ممبران میٹنگ میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ ساتھ لائیں۔
- 3- جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا ممبر میٹنگ میں ممبر کی جگہ صرف کسی دوسرے ممبر کو پر کسی کے طور پر مقرر کر سکتا ہے منوط ہونے کے لیے پراکسیز میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس سے وصول کی جانی چاہئیں اور اس پر دستخط ہونا ضروری ہے۔ ایک رکن ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ پراکسی فارم کے ساتھ شیئرز ہولڈر اور فائدہ اٹھانے والے مالکان کے کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا پاسپورٹ دونوں کی کاپیاں لازمی منسلک ہونی چاہئیں۔
- 4- اراکین سے درخواست کی جاتی ہے کہ اپنے میٹنگ ایڈریس، ای میل ایڈریس اور رابطہ کی تفصیلات میں کسی بھی تبدیلی کی فوری طور پر کمپنی شیئرز رجسٹرار آفس کو مطلع کریں۔ فزیکل شیئرز رکھنے والے ممبران کو مشورہ دیا جاتا ہے کہ وہ اپنے رجسٹرڈ ایڈریس میں کسی تبدیلی کی اطلاع دیں اور جن شیئرز ہولڈرز نے ابھی تک اپنے CNIC کی فوٹو کاپی جمع نہیں کرائی ہے ان سے درخواست کی جاتی ہے کہ وہ اسے جلد از جلد بھیج دیں۔

5- شیئرز ہولڈرز جو ای میل کے ذریعے جنرل میٹنگ کا نوٹس وصول کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے دستخط شدہ خط کے ذریعے اپنی تفصیلات، یعنی نام، فونو/سی ڈی سی/ C/ نمبر، ای میل پتہ، رابطہ فراہم کریں۔ CNIC کا نمبر اور کاپی۔

6- شیئرز ہولڈرز ویڈیو لنک کی سہولت کے ذریعے میٹنگ میں شرکت کر سکتے ہیں۔ اگر کمپنی کو ویڈیو لنک کے ذریعے میٹنگ میں شرکت کرنے کے لیے کسی دوسرے شہر میں رہنے والے 10 فیصد یا اس سے زیادہ شیئرز ہولڈنگ رکھنے والے حصص یافتگان کی طرف سے مطالبہ (میٹنگ کی تاریخ سے کم از کم (7) دن پہلے) موصول ہوتا ہے، تو کمپنی ویڈیو لنک بندوبست کرے گی۔ اس شہر میں لنک کی سہولت۔ شیئرز ہولڈرز، جو ویڈیو لنک کی سہولت کے ذریعے شرکت کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب ویڈیو لنک سہولت فارم کو پُر کریں اور کمپنی کے رجسٹرڈ پتے پر دستخط شدہ کاپی بھیجیں۔ واضح رہے کہ ممبر یا پراکسی ہولڈر کے علاوہ کوئی بھی شخص ویڈیو لنک کی سہولت کے ذریعے اجلاس میں شرکت نہیں کر سکتا۔

7- کینیڈا ایکٹ، 2017 (ایکٹ) 72) کا سیکشن (72) تمام کمپنیوں سے مطالبہ کرتا ہے کہ وہ اپنے جاری کردہ حصص کو فزیکل شکل میں تبدیل کریں اور ان حصص کو بک-انٹری-فارم میں جاری کیے جانے والے حصص کے اجراء کی تاریخ سے 4 سال سے زیادہ نہ ہو۔ مذکورہ دفعہ 72 کی دفعات کی مکمل تعمیل کو یقینی بنانے اور بک-انٹری-فارم میں حصص رکھنے کی سہولت سے مستفید ہونے کے لیے، وہ شیئرز ہولڈرز جو ابھی بھی فزیکل شکل میں حصص رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص کو بک-انٹری-فارم میں تبدیل کر دیں۔ فارم میں مزید معلومات کے لیے براہ کرم کمپنی کے شیئرز رجسٹرار سے رابطہ کریں۔ (F.D. رجسٹرار سروسز/ پرائیویٹ) لمیٹڈ، 1705، 17 ویں منزل، صائمہ ٹریڈ ٹاور-A، I.I. چندریگر روڈ، کراچی۔



**CHAIRMAN'S REVIEW**

Respected Shareholders,

I am pleased to welcome you to the 62<sup>nd</sup> Annual General Meeting of Khyber Textile Mills Limited (the Company) and present the Annual Audited Report for the year ended June 30, 2023. The significant aspects for evaluation of the Company's performance, its results and financial/ material highlights underlining the fiscal year have been thoroughly elaborated in the Director's report and key operating and financial data.

During the period under review, there was significant revenue generation from the agricultural livestock business and supplementary income from the rental of vacant buildings. However, the Company's textile production remained closed due to restrictions on credit facilities imposed by the banks.

The overall performance of the Board of Directors remained satisfactory. The Board is comprised of experienced and seasoned individuals with diversified experience who have played an important role in making effective decisions at all levels. The Committees of the Board operated efficiently and assisted the Board in all key matters.

On behalf of the Board, I would like to thank all the stakeholders for their trust and support. I am confident that the Company has all the makings necessary to achieve the expectations of its stakeholders. Further, I would like to thank the Management and staff for their hard work and devotion to the betterment of the Company.



**Mr. Aurangzeb Khan**  
Chairman

Baldher, Haripur  
Dated: 26<sup>th</sup> September 2023

## چیرمین ریویو

معزز شیئر ہولڈرز،

مجھے خیبر ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے 62 ویں سالانہ اجلاس عام میں آپ کا خیر مقدم کرتے ہوئے خوشی ہو رہی ہے اور 30 جون 2023 کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کر رہا ہوں۔ ڈائریکٹرز کی رپورٹ اور کلیدی آپریٹنگ اور مالیاتی اعداد و شمار میں مالی سال پر روشنی ڈالنے والی جھلکیاں اچھی طرح سے بیان کی گئی ہیں۔ زیر جائزہ مدت کے دوران زرعی لائیو سٹاک کے کاروبار سے نمایاں آمدنی اور خالی عمارتوں کے کرائے سے اضافی آمدنی ہوئی۔ تاہم، بینکوں کی طرف سے قرض کی سہولیات پر پابندی کی وجہ سے کمپنی کی ٹیکسٹائل کی پیداوار بند رہی۔

بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی تسلی بخش رہی۔ متنوع تجربہ رکھنے والے تجربہ کار افراد پر مشتمل بورڈ نے ایک اہم کردار ادا کیا ہے۔ بورڈ کی کمیٹیوں نے مؤثر طریقے سے کام کیا اور تمام اہم معاملات میں بورڈ کی مدد کی۔

بورڈ کی جانب سے، میں تمام اسٹیک ہولڈرز کے اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرنا چاہوں گا۔ مجھے یقین ہے کہ کمپنی کے پاس اپنے اسٹیک ہولڈرز کی توقعات کو پورا کرنے کے لیے ضروری تمام اجزاء موجود ہیں۔ مزید، میں کمپنی کی بہتری کے لیے انتظامیہ اور عملے کی محنت اور لگن کا شکریہ ادا کرنا چاہوں گا۔



جناب اور گلزیب خان (چیرمین)

بالڈھیر، ہری پور

26 ستمبر 2023

**DIRECTORS REPORT TO THE SHAREHOLDERS****Dear Members,**

The Board of Directors welcomes you to the 62<sup>nd</sup> Annual General Meeting of your Company and is pleased to present the Annual Financial Statements duly audited together with the Auditors' Report along with other relevant statements as required by the Code of Corporate Governance of Pakistan Stock Exchange for the year ended 30<sup>th</sup> June 2023.

**Financial Results:**

During the period under review, there was significant revenue generation from the agricultural livestock business and supplementary income from the rental of vacant buildings. However, the Company's textile production remained closed due to restrictions on credit facilities by the banks.

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
		<b>--- Restated ---</b>
<b>SALES</b>	27,103,500	14,591,500
<b>Less: COST OF SALES</b>	<u>19,426,034</u>	<u>10,815,538</u>
<b>GROSS PROFIT</b>	7,677,466	3,775,962
Less: Administrative Expenses	15,858,954	15,277,271
Other Operating Expenses	583,290	451,850
Financial Expenses - Bank Charges	3,784	1,207
	<u>16,446,028</u>	<u>15,730,328</u>
	(8,768,562)	(11,954,366)
Gain / (Loss) on Remeasurement of Biological Assets	(1,317,724)	238,255
Other Operating Income - Rent	5,433,400	5,319,500
Agriculture Income	124,500	151,250
<b>OPERATING LOSS</b>	<u>(4,528,386)</u>	<u>(6,245,361)</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<u>(4,528,386)</u>	<u>(6,245,361)</u>
<b>TAXATION</b>	(613,371)	(1,034,915)
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>	<u>(3,915,015)</u>	<u>(5,210,446)</u>
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	<u><u>(3,915,015)</u></u>	<u><u>(5,210,446)</u></u>
<b>EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>	<u>(3.19)</u>	<u>(4.24)</u>

**Dividend**

Due to the accumulated losses, directors have not recommended any dividend payout or bonus shares for the year.

## **Law Suits against the Company:**

- **NBP vs. KTML:** In March 2014 the Hon'ble Banking Judge Peshawar High Court dismissed NBP's suit in favour of KTML. However, NBP has filed an appeal against the judgment. As of September 2023, due to the delaying tactics of NBP, arguments are pending before the Honorable Peshawar High Court. KTML's Management and Legal team will continue to defend KTML's interests robustly and are hopeful that NBP's appeal will be dismissed. For further information, refer to Note #17.
- **ICP, NBP & Others vs. KTML:** A Suit for recovery was filed by ICP, NBP & Others in the Sindh High Court (SHC). The Honorable Sindh High Court has allowed KTML's Leave to Defend Application. KTML's Management and our attorneys are optimistic as a judgment on these issues in our favour has already been decided by the Honorable Peshawar High Court, which will hopefully lead to the dismissal of the ICP suit in the SHC. As of September 2023, the suit is at the final stages of arguments. For further information, refer to Note #17.

## **Litigation Implications:**

The Banks maintained their credit squeeze by delaying the finalization of the appeal and suit pending before the Peshawar High Court and Sindh High Court respectively, thereby ensuring that KTML's defaulter status is maintained on the SBP CIB Report, to force the Company to come to their unjust terms. Management is of the strong view that the Company does not owe any outstanding amounts to the Banks. Unfortunately, the Banks coercive strategy has led to the continued closure of textile production, the re-initiation of which requires a hefty amount of funds to complete refurbishment of machinery along with access to working capital. Nonetheless, it is the BOD and Management's intention to rehabilitate the Textile Unit once the Banking litigation has reached finality and credit facilities are restored. Refer to Note #17.

## **Business Activities:**

As per the BOD and Members approval in prior years, the Company has continued to invest in its revised principal activity of agriculture on its abundant land (separate from the Textile Unit). This investment over the years in the agricultural business has included the construction of ample housing capacity for cattle, the purchase of livestock, the planting and growing of olive saplings/trees, and improving the Mill's water storage, tube well and irrigation systems throughout the Company's premises. In addition, Management has utilized most of the Company's empty land by transforming and developing the area for cultivation. The cultivation of crops has been used in support of the Company's livestock farm, which has enabled a reduction in purchasing of fodder from the market, reducing input costs, thus increasing the farm's profitability.

The BOD takes this opportunity to inform the shareholders that in FY 2023 despite the restriction on access to credit and continued inflation in the economy, the Company nonetheless has managed to improve the agricultural farm and operations. Additionally, the sales of cattle registered a significant increase as reflected in the financial accounts annexed herewith.

Moreover, Management has continued to generate further revenue for the Company through renting some of its vacant buildings and warehouses. Management has used this financial stream to reinvest in the Company's current operations. Hence, through the successful sales of livestock and rental income, Management has proved that the modified business plan for the Company is viable, as the revenue of the Company has substantially increased, and liabilities have decreased. Further, the Company is an active taxpayer, contributing advance tax to the national exchequer. Lastly, the exercise of revaluation of property, plant and equipment repeatedly carried out by Management, has emphasized the worth of the Company.

## **Future Plans**

Moving forward, Management will continue to repair vacant buildings on the Company's property for use in warehousing and rental activity, thereby utilizing the excess areas for the generation of additional revenue for the Company. Moreover, Management intends, to improve the cultivatable land and invest further in the Company's agricultural livestock farm. The income derived from these business activities

will also be used for the maintenance of the Company's assets, payment of the Company's expenses, meeting the Company's legal overheads, fulfilling the requirements under the Companies Act 2017, and investment in new business activities if found feasible by the BOD.

Management expects that due to our Company's location near the E-35 Motorway, access to the CPEC will hopefully open new opportunities for further business activity.

**Auditor's Reservations:**

- Concerning auditor qualification for creditors that remain un-verified, these amounts have been pending since the closure of textile production and the creditors have not come forward to demand their dues nor are in contact with the Company. Moreover, these amounts have become time-barred; therefore, Management has written back the balances a few years ago.

**Statement of Corporate and Financial Reporting Framework:**

The Board of Directors further state that:

1. The financial statements under review have been prepared in accordance with the provisions of the Companies Act 2017 and the International Accounting Standards as applicable in Pakistan.
2. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
3. Proper books of account have been maintained by the Company accordingly the financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
4. The system of internal control of the Company is satisfactory in design and has been effectively implemented and continues to be monitored for improvement.
5. As a result of overall effort being made to control cost and maximize revenue, there are no significant doubts about the Company's ability to continue as a going concern and therefore no adjustment is required in the recorded assets and liabilities.
6. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations and as applicable to the company for the year ended 30<sup>th</sup> June 2023.
7. Key operating and financial results for the last 6 years in a summarized form, are annexed.
8. The Audit Committee assists the Board in discharging its duties and responsibilities ensuring good compliance with Code of Corporate Governance including review of reports, Company's financial results and internal control procedures for Management decisions and evolving strategy for safeguarding Company's assets and its business potentials.
9. The Audit Committee meets before Board Meetings and its report is presented in the Board Meeting.

**Board of Directors Composition:**

Currently, the Board comprises of seven directors including our Chief Executive Officer (CEO), Mr. Adam Jadoon. All of them possess diversified experience and suitable skill sets with competencies for safeguarding the interests of stakeholders and the Company. During the period under report 4 (four) meetings of the Board of Directors were held.

Attendance of each Director is as under:

<b><u>Composition of Board</u></b>	<b><u>No. of Meetings Attended</u></b>
<b>EXECUTIVE DIRECTOR</b>	
Mr. Adam Jadoon	4
<b>NON-EXECUTIVE DIRECTORS</b>	
Mr. Aurangzeb Khan	4
Mr. Amanullah Khan Jadoon	4
Mr. Muhammad Bahauddin	4
Mrs. Aamna Jadoon	4

**INDEPENDENT DIRECTORS**

Mr. Nusrat Iqbal	4
Mr. Hassan Ovais	3

**Directors' Training:**

Four of our Directors, Mr. Adam Jadoon (CEO), Mr. Muhammad Bahauddin, Mrs. Aamna Jadoon and Mr. Hassan Ovais have already obtained the prescribed certifications under the Directors Training Program. While Mr. Nusrat Iqbal will complete his Directors' Training in the near future. The remaining two Directors are exempt from Directors Training Program due to their experience in the Board.

**Chairman's Review:**

The directors hereby endorse the Chairman's review on the performance of the Company.

**Remuneration of Directors and Chief Executive:**

No remuneration were paid to the Directors and Chief Executive.

**Auditors:**

The auditors M/s Clarkson Hyde Saud Ansari, Chartered Accountants have a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan. They also possess a satisfactory rating from the Audit Oversight Board (AOB). The present auditors, M/s Clarkson Hyde Saud Ansari Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors recommends M/s Clarkson Hyde Saud Ansari, Chartered Accountant to act as auditors of the Company for the Financial Year 2023-24.

**Pattern Of Shareholding:**

The pattern of shareholding as on June 30, 2023 and its disclosure as required by the Act and Code of Corporate Governance is annexed with this report. There was no other reported transaction of sale or purchase of shares of the Company by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Chief Internal Auditor, Chief Operating Officer and their spouses or minor children during the year under review, except as given in Pattern of Shareholding.

**Compliance with Code of Corporate Governance:**

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their Listing Regulations relevant for the year ended June 30, 2023 have been adopted by the Company and have been duly complied with. A statement of compliance is annexed to the report.

**Material Changes:**

There have been no material changes since year end June 30, 2022 till date of the report except as disclosed in this annual report and the Company has not entered into any commitment which would affect its financial position at the date except for those mentioned in audited financial statements of the company for the year ended June 30, 2023.

**Statutory Compliance:**

During the year the company has complied with all applicable provisions, filed all returns/forms, and furnished all the relevant particulars as required under the Companies Act 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

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**Related Party Transactions:**

All transactions with related parties including pricing policies applied upon recommendation of the Audit Committee and as disclosed in notes to the annual audited financial statements thereon are reviewed and approved by the Board.

**Web Presence:**

Updated information regarding the Company can be accessed at the Company's website [www.khybertextile.com](http://www.khybertextile.com). The website contains the latest financial results of the Company along with the Company's profile.

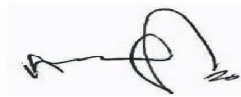
**Corporate Social Responsibility:**

The Management of the Company is aware of its corporate and social responsibility and will encourage social projects in the future.

**Acknowledgement:**

The Board would like to thank and appreciate our shareholders for their confidence and trust. The Board also extends its appreciation and gratefulness towards the dedication and commitment presented by the Company's employees.

**On behalf of the Board of Directors**



**Aurangzeb Khan**  
Director



**Adam Jadoon**  
Director /CEO

**Baldher, Haripur**  
Dated:- 26<sup>th</sup> September, 2023

**ڈائریکٹرز رپورٹ**

پیارے ممبران،

بورڈ آف ڈائریکٹرز آپ کو آپ کی کمپنی کے 62 ویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں اور آڈیٹرز کی رپورٹ کے ساتھ باضابطہ آڈٹ کیے گئے سالانہ اکاؤنٹس اور دیگر متعلقہ بیانات پیش کرتے ہوئے خوش محسوس کر رہے ہیں جیسا کہ پاکستان سٹاک ایکسچینج کے کوڈ آف کارپوریٹ گورننس کے تحت مطلوب ہے۔ سال 30 جون 2023 کو ختم ہوا۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران، زرعی مویشیوں کے کاروبار سے نمایاں آمدنی ہوئی اور خالی عمارتوں کے کرائے سے اضافی آمدنی ہوئی۔ تاہم، بینکوں کی طرف سے قرض کی سہولیات پر پابندیوں کی وجہ سے کمپنی کی ٹیکسٹائل کی پیداوار بند رہی۔

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
		<b>--- Restated ---</b>
<b>SALES</b>	27,103,500	14,591,500
<b>Less: COST OF SALES</b>	19,426,034	10,815,538
<b>GROSS PROFIT</b>	7,677,466	3,775,962
Less: Administrative Expenses	15,858,954	15,277,271
Other Operating Expenses	583,290	451,850
Financial Expenses - Bank Charges	3,784	1,207
	16,446,028	15,730,328
	(8,768,562)	(11,954,366)
Gain / (Loss) on Remeasurement of Biological Assets	(1,317,724)	238,255
Other Operating Income - Rent	5,433,400	5,319,500
Agriculture Income	124,500	151,250
<b>OPERATING LOSS</b>	(4,528,386)	(6,245,361)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	(4,528,386)	(6,245,361)
<b>TAXATION</b>	(613,371)	(1,034,915)
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>	(3,915,015)	(5,210,446)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	(3,915,015)	(5,210,446)
<b>EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>	(3.19)	(4.24)

ڈیویڈنڈ

جمع شدہ نقصانات کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے سال کے لیے کسی بھی ڈیویڈنڈ کی ادائیگی یا پلوس شیئرز کی سفارش نہیں کی ہے۔



## کمپنی کے خلاف قانونی مقدمہ:

**NBP vs KTML: 17-03-2014** کو معزز بینکنگ جج پشاور ہائی کورٹ نے KTML کے حق میں NBP کا مقدمہ خارج کر دیا ہے۔ تاہم، NBP نے فیصلے کے خلاف اپیل دائر کی ہے۔ ستمبر 2023 تک، NBP کے تاخیری حربوں کی وجہ سے، معزز پشاور ہائی کورٹ کے سامنے دلائل زیر التواء ہیں۔ KTML کی انتظامیہ اور قانونی ٹیم KTML کے مفادات کا بھرپور طریقے سے دفاع کرتی رہے گی اور پر امید ہیں کہ NBP کی اپیل خارج کر دی جائے گی۔ مزید معلومات کے لیے نوٹ نمبر 17 ملاحظہ کریں۔

**ICP، NBP اور دیگر KTML vs SHC**: سندھ ہائی کورٹ (SHC) میں ICP، NBP اور دیگر کی طرف سے ریگوری کا مقدمہ دائر کیا گیا تھا۔ معزز سندھ ہائی کورٹ نے KTML کی درخواست کے دفاع کی اجازت دے دی۔ KTML کی انتظامیہ اور قانونی ٹیم پر امید ہیں کیونکہ ان مسائل پر ہمارے حق میں فیصلہ معزز پشاور ہائی کورٹ سپلے ہی دے چکا ہے جو امید ہے کہ SHC میں ICP، NBP کے مقدمے کو خارج کر دے گا۔ ستمبر 2023 تک، مقدمہ دلائل کے آخری مراحل میں ہے۔ مزید معلومات کے لیے نوٹ نمبر 17 ملاحظہ کریں۔

## قانونی چارہ جوئی کے مضمرات:

بینکوں نے بالترتیب پشاور ہائی کورٹ اور سندھ ہائی کورٹ کے سامنے زیر التواء اپیل اور سوٹ کو حتمی شکل دینے میں تاخیر کر کے اپنے کریڈٹ سکوز کو برقرار رکھا، اس طرح اس بات کو یقینی بنایا کہ KTML کی ڈیفالٹرا سٹیٹس کو SBP CIB رپورٹ پر برقرار رکھا گیا ہے تاکہ کمپنی کو ان کی نائنصافی پر مجبور کیا جاسکے۔ انتظامیہ کا پختہ خیال ہے کہ کمپنی پر بینکوں کی کوئی بقایا رقم واجب الادا نہیں ہے۔ بد قسمتی سے، بینکوں کی زبردستی کی حکمت عملی ٹیکسٹائل کی پیداوار کو مسلسل بند کرنے کا باعث بنی ہے، جس کے دوبارہ آغاز کے لیے مشینری کی تجدید اور ورکنگ کیمپینل تک رسائی کے لیے بھاری رقم کی ضرورت ہے۔ بہر حال، یہ BOD اور انتظامیہ کا ارادہ ہے کہ جب بینکنگ قانونی چارہ جوئی مکمل ہو جائے اور قرض کی سہولیات بحال ہو جائیں تو ٹیکسٹائل پونٹ کو بحال کیا جائے۔ مزید معلومات کے لیے نوٹ نمبر 17 ملاحظہ کریں۔

## کاروباری سرگرمیاں:

گزشتہ سالوں میں BOD اور اراکین کی منظوری کے مطابق، کمپنی نے 2023FY میں اپنی وافر زمین (ٹیکسٹائل پونٹ سے الگ) پر زرعی فارمنگ کی اپنی نظر ثانی شدہ بنیادی سرگرمی میں سرمایہ کاری جاری رکھی ہے۔ زرعی کاروبار میں گزشتہ برسوں میں ہونے والی اس سرمایہ کاری میں مویشیوں کے لیے کافی رہائش کی گنجائش کی تعمیر، مویشیوں کی خریداری، زمینوں کے پودے اور ختوں کی شجر کاری اور ان کی افزائش، ملز کے پانی کی پائپنگ کے نظام کو بہتر بنانا، پانی ذخیرہ کرنے، ٹیوب ویل اور آبپاشی کے نظام کو کمپنی کے پورے احاطے میں بہتر بنانا شامل ہے۔ مزید برآں، انتظامیہ نے کمپنی کی خالی زمین کو کاشت کے لیے تبدیل اور ترقی دے کر استعمال کیا ہے۔ اگائی جانے والی فصلوں کی کاشت، کمپنی کے لائیو سٹاک فارم کی مدد میں استعمال کی گئی ہے، جس نے مارکیٹ سے چارے کی خریداری میں کمی، ان پٹ لاگت کو کم کرنے کے قابل بنایا ہے، اس طرح فارم کے منافع میں اضافہ ہوا ہے۔

BOD اس موقع پر حصص یافتگان کو مطلع کرتا ہے کہ مالی سال 2023 میں قرض تک رسائی پر پابندی اور بڑھتی ہوئی افراط زر کے باوجود، کمپنی نے زرعی فارم اور آپریشنز کو بہتر بنانے میں کامیابی حاصل کی ہے۔ مزید برآں، ہماری ان پٹ لاگت میں کمی آئی، اور لائیو سٹاک کی فروخت میں نمایاں اضافہ ہوا جیسا کہ اس کے ساتھ منسلک مالی کھاتوں سے ظاہر ہوتا ہے۔ مزید برآں، مینجمنٹ نے خالی عمارتوں اور گوداموں کے کرائے کے ذریعے کمپنی کے لیے مزید آمدنی حاصل کرنا جاری رکھی ہے اور اس مالیاتی سلسلے کو کمپنی کے موجودہ آپریشنز میں دوبارہ سرمایہ کاری کے لیے استعمال کیا ہے۔ لہذا، لائیو سٹاک کی کامیاب فروخت اور کرائے کی آمدنی کے ذریعے مینجمنٹ نے ثابت کر دیا ہے کہ کمپنی کے لیے تبدیل شدہ کاروباری منصوبہ قابل عمل ہے، کیونکہ کمپنی کی آمدنی میں خاطر خواہ اضافہ ہوا ہے، اور واجبات میں کمی آئی ہے۔ مزید یہ کہ کمپنی ایک فعال ٹیکس دہندہ ہے، جو قومی خزانے میں ایڈوائس ٹیکس ادا کرتی ہے۔ آخر میں، انتظامیہ کی طرف سے جائیداد، پلانٹ اور آلات کی دوبارہ تشخیص کی مشق نے کمپنی کی قدر میں اضافہ کیا ہے۔

## مستقبل کے منصوبے

آگے بڑھتے ہوئے، مینجمنٹ کمپنی کی جائیداد پر خالی عمارتوں کو گودام اور کرایہ کی سرگرمیوں میں استعمال کرنے کے لیے مرمت کرنا جاری رکھے گی، اس طرح کمپنی کے لیے اضافی آمدنی پیدا کرنے کے لیے اضافی جگہوں کو استعمال کرے گی۔ مزید برآں، انتظامیہ کا ارادہ ہے کہ قابل کاشت زمین کو بہتر بنایا جائے اور زرعی لائیو سٹاک فارم میں مزید سرمایہ کاری کی جائے، ان کاروباری سرگرمیوں سے حاصل ہونے والی آمدنی کو کمپنی کے اثاثوں کی دیکھ بھال، ملازمین کی تنخواہوں، اخراجات کی ادائیگی، کمپنی کے قانونی اور ریگوری کو پورا کرنے، کمپنیز ایکٹ 2017 کے تحت ضروریات کو پورا کرنے اور نئی کاروباری سرگرمیوں میں سرمایہ کاری کرنے کے لیے بھی استعمال کیا جائے گا۔

انتظامیہ کو توقع ہے کہ E-35 موٹروے کے قریب ہماری کمپنی کے مقام کی وجہ سے، امید ہے کہ CPEC تک رسائی مزید کاروباری سرگرمیوں کے لیے نئے مواقع فراہم کرے گی۔

## آڈیٹر کے تحفظات:

• غیر تصدیق شدہ قرض دہندگان کے لیے آڈیٹر کی اہلیت سے متعلق، یہ رقم ٹیکسٹائل کی پیداوار کی بندش کے بعد سے زیر التواء تھیں اور قرض دہندگان اپنے واجبات کا مطالبہ کرنے کے لیے آگے نہیں آئے اور نہ ہی کمپنی کے ساتھ رابطے میں ہیں۔ اس لئے انتظامیہ نے پچھلے مالی سال کے دوران ان کے بیلنس کو ختم کر دیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان:

بورڈ آف ڈائریکٹرز کا مزید کہنا ہے کہ:

1. زیر جائزہ مالی بیانات کمپنیز ایکٹ 2017 اور پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق تیار کیے گئے ہیں۔
2. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
3. کمپنی کی طرف سے اکاؤنٹ کی مناسب کتابیں رکھی گئی ہیں، اس کے مطابق مالیاتی بیانات کمپنی کی حالت، اس کے کاموں کے نتیجے، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو اچھی طرح سے پیش کرتے ہیں۔

4. کمپنی کا اندرونی کنٹرول کا نظام تسلی بخش ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے اور بہتری کے لیے اس کی نگرانی جاری ہے۔
5. لاگت کو کنٹرول کرنے اور آمدنی کو زیادہ سے زیادہ کرنے کے لیے کی جانے والی مجموعی کوششوں کے نتیجے میں، کمپنی کی صلاحیت کو بہتر کرنے کے بارے میں کوئی شک نہیں ہے اور اس لیے ریکارڈ شدہ اثاثوں اور واجبات میں کسی قسم کی ایڈجسٹمنٹ کی ضرورت نہیں ہے۔
6. کارپوریٹ گورننس کے بہترین طریقوں کو اپنایا گیا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے اور جیسا کہ 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی پر لاگو ہے۔

7. پچھلے چھ سالوں کے اہم آپریٹنگ اور مالیاتی نتائج، خلاصہ کی شکل میں، منسلک ہیں۔

8. آڈٹ کمپنی اپنے فرائض اور ذمہ داریوں کو نبھانے میں بورڈ کی مدد کرتی ہے جس میں کوڈ آف کارپوریٹ گورننس کی اچھی تعمیل کو یقینی بنایا جاتا ہے جس میں رپورٹس کا جائزہ، کمپنی کے مالیاتی نتائج اور انتظامی فیصلوں کے لیے اندرونی کنٹرول کے طریقہ کار اور کمپنی کے اثاثوں اور اس کے کاروباری امکانات کی حفاظت کے لیے حکمت عملی تیار کرنا شامل ہے۔
9. آڈٹ کمپنی بورڈ مینٹنگ سے پہلے میٹنگز کرتی ہے اور اس کی رپورٹ بورڈ مینٹنگ میں پیش کی جاتی ہے۔

بورڈ آف ڈائریکٹرز کی ساخت:

فی الحال بورڈ ڈسٹ ڈائریکٹرز پر مشتمل ہے جس میں ہمارے چیف ایگزیکٹو آفیسر (CEO) جناب آدم جدون شامل ہیں۔ ان سب کے پاس تجربہ ہے جس میں بنیادی صلاحیتیں ہیں جو اسٹیک ہولڈرز اور کمپنی کے ذاتی مفادات کی حفاظت کرتی ہیں۔ اس مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 4 (چار) اجلاس منعقد ہوئے۔

ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاسوں کے بورڈ نمبر کی تفصیل

ایگزیکٹو ڈائریکٹر

4	جناب آدم جدون
	غیر ایگزیکٹو ڈائریکٹرز
4	جناب اورنگزیب خان
4	جناب امان اللہ خان جدون
4	جناب محمد بہاؤ الدین
4	مسز آمنہ جدون
	آزاد ڈائریکٹرز
4	جناب نصرت اقبال
3	جناب حسن اویس

ڈائریکٹرز کی تربیت:

ہمارے چار ڈائریکٹرز، جناب آدم جدون (CEO)، مسز آمنہ جدون، جناب محمد بہاؤ الدین، اور جناب حسن اویس پہلے ہی ڈائریکٹرز ٹریننگ پروگرام کے تحت مقررہ سرٹیفیکیشن حاصل کر چکے ہیں۔ جبکہ جناب نصرت اقبال مستقبل قریب میں اپنی ڈائریکٹرز کی ٹریننگ مکمل کریں گے۔ باقی دو ڈائریکٹرز بورڈ میں اپنے تجربے کی وجہ سے ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہیں۔

چیئر مین کا جائزہ:

ڈائریکٹرز اس طرح کمپنی کی کارکردگی پر چیئر مین کے جائزے کی توثیق کرتے ہیں۔

ڈائریکٹر زاور چیف ایگزیکٹو کے معاوضے:  
ڈائریکٹر زاور چیف ایگزیکٹو کو کوئی معاوضہ اور مراعات نہیں دی گئیں۔

آڈیٹر:

انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوائلی کنٹرول ریگولیشنز اور گرام کے تحت آڈیٹر میسرز گلار کسن ہائیڈرسعود انصاری، چارٹرڈ اکاؤنٹنٹس کی درجہ بندی تسلی بخش ہے اور کوڈ آف ایٹھکس پرائنٹرز فیڈریشن آف اکاؤنٹنٹس (IFAC) کے رہنما اصولوں کی تعمیل ہے۔ جیسا کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے اپنا بیان کیا ہے۔ ان کے پاس آڈٹ اور سائٹ بورڈ (AOB) سے بھی تسلی بخش درجہ بندی ہے۔ موجودہ آڈیٹر، میسرز گلار کسن ہائیڈرسعود انصاری چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے اور اہل ہونے کے بعد، خود کو دوبارہ تقرر کے لیے پیش کرتے ہیں۔ سی سی جی کی ضرورت کے مطابق آڈٹ کمیٹی نے مالی سال 2023-24 کے لیے کمپنی کے آڈیٹر کے طور پر کام کرنے کے لیے میسرز گلار کسن سعود انصاری، چارٹرڈ اکاؤنٹنٹس کا نام تجویز کیا ہے اور بورڈ آف ڈائریکٹرز نے اس کی سفارش کی ہے۔

حصہ داری کا نمونہ:

30 جون 2023 تک شیئر ہولڈنگ کا بیٹرن اور اس کا افشاء جیسا کہ ایکٹ اور کوڈ آف کارپوریٹ گورننس کی ضرورت ہے اس رپورٹ کے ساتھ منسلک ہے۔  
زیر جائزہ سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری، چیف فنانس آفیسر، چیف انٹرنل آڈیٹر، چیف آپریٹنگ آفیسر اور ان کے شریک حیات یا نابالغ بچوں کے ذریعہ کمپنی کے حصص کی فروخت یا خریداری کا کوئی دوسرا لین دین نہیں ہوا، سوائے اس کے کہ شیئر ہولڈنگ کے بیٹرن میں دیا گیا ہے۔  
کوڈ آف کارپوریٹ گورننس کی تعمیل:

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کے تقاضوں کو کمپنی نے اپنایا ہے۔

مادی تبدیلیاں:

سال کے آخر میں 30 جون 2022 سے رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئی ہیں سوائے اس سالانہ رپورٹ کے جس کا انکشاف کیا گیا ہے اور کمپنی نے کوئی ایسا عہد نہیں کیا ہے جس سے اس تاریخ پر اس کی مالی پوزیشن متاثر ہوتی ہو سوائے آڈٹ شدہ مالیات میں مذکورہ کے۔ 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے بیانات۔

قانونی تعمیل:

سال کے دوران کمپنی نے تمام قابل اطلاق شرائط کی تعمیل کی ہے، تمام ریٹرن / فارمز داخل کیے ہیں اور کمپنیز ایکٹ 2017 اور اس سے منسلک قوانین، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ضوابط اور فہرست سازی کی ضروریات کے تحت تمام متعلقہ تفصیلات فراہم کی ہیں۔

متعلقہ پارٹی ٹرانزیکشنز:

متعلقہ فریقوں کے ساتھ تمام لین دین بشمول آڈٹ کمیٹی کی سفارش پر لاگو قیمتوں کی پالیسیاں اور جیسا کہ اس پر سالانہ آڈٹ شدہ مالیاتی گوشواروں کے نوٹس میں انکشاف کیا گیا ہے بورڈ کے ذریعہ جائزہ لیا جاتا ہے اور اس کی منظوری دی جاتی ہے۔

ویب کی موجودگی:


کمپنی کے حوالے سے تازہ ترین معلومات کمپنی کی ویب سائٹ [www.khybertextile.com](http://www.khybertextile.com) پر حاصل کی جاسکتی ہیں۔ ویب سائٹ کمپنی کے پروفائل کے ساتھ کمپنی کے تازہ ترین مالیاتی نتائج پر مشتمل ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی کی انتظامیہ اپنی کارپوریٹ اور سماجی ذمہ داری سے واقف ہے اور مستقبل میں سماجی بہبود کے منصوبوں کی حوصلہ افزائی کرے گی۔

اعتراف:

بورڈ ہمارے شیئر ہولڈرز کے اعتماد اور بھروسے کے لیے ان کا شکریہ ادا کرنا چاہتا ہے۔ بورڈ ملازمین کی طرف سے پیش کی جانے والی لگن اور عزم کے لیے بھی اپنی تعریف اور شکر گزار ہے۔  
بورڈ آف ڈائریکٹرز کی جانب سے

  
جناب اور عزیز خان (ڈائریکٹر)

بالڈھری پور

تاریخ: 26 ستمبر 2023

  
جناب آدم جدون (ڈائریکٹر چیف ایگزیکٹو)

بالڈھری پور

تاریخ: 26 ستمبر 2023

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**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019; Year Ended June 30, 2023, for Khyber Textile Mills Limited**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (Regulations) in the following manner:-

1. The total number of directors are 7 as per the following, -
  - a. Male: 6
  - b. Female: 1
2. The composition of the Board is as follows:
  - i. Independent directors**
    - Mr. Hassan Ovais
    - Mr. Nusrat Iqbal
  - ii. Female directors**
    - Mrs. Aamna Jadoon
  - iii. Non-executive directors**
    - Mr. Aurangzeb Khan
    - Mr. Amanullah Khan Jadoon
    - Mr. Muhammad Bahauddin
    - Mrs. Aamna Jadoon
  - iv. Executive directors**
    - Mr. Adam Jadoon
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The following Members of the Board have completed the Directors' Training program:
  1. Mr. Adam Jadoon
  2. Mr. Muhammad Bahauddin
  3. Mrs. Aamna Jadoon
  4. Mr. Hassan Ovais

Whereas Mr. Nusrat Iqbal will complete his Directors' Training in the near future. While the two other Directors are exempt from the Directors Training Program due to their experience in the Board.

10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive officer duly endorsed the financial statements before the approval of the Board;
12. The Board has formed Committees comprising of Members given below.-

**a) Audit Committee**

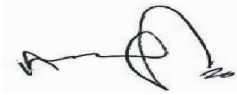
Mr. Nusrat Iqbal (Chairman)  
Mr. Muhammad Bahauddin  
Mrs. Aamna Jadoon

**b) Human Resource and Remuneration Committee**

Mr. Nusrat Iqbal (Chairman)  
Mr. Muhammad Bahauddin  
Mr. Adam Jadoon

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;
14. The frequency of meetings of the committees were as per the following,-
  - a) Audit Committee; Four Quarterly Meetings during the financial year ended June 30, 2023
  - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023;
15. The Board has set up an effective internal audit function who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and that the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
19. Explanation for non-compliance with Regulation other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1.	<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the Human Resource and Remuneration committee	<b>29</b>
2.	<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the senior officers of the Company perform the requisite functions and apprise the Board accordingly.	<b>30</b>



**MR. AURANGZEB KHAN**  
CHAIRMAN

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of : KHYBER TEXTILE MILLS LIMITED****Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of KHYBER TEXTILE MILLS LIMITED (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 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. 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.

Based on our review, nothing has come to our attention which causes us to believe that 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, 2023.

**Clarkson Hyde Saud Ansari**

Chartered Accountants

Engagement Partner – **Saud Ansari**

Karachi

Dated: September 26, 2023

UDIN: **CR202310149qHgzmSbj**

**INDEPENDENT AUDITOR'S REPORT**  
To the members of: **KHYBER TEXTILE MILLS LIMITED**  
**Report on the Audit of the Financial Statements**

***Qualified Opinion***

We have audited the annexed financial statements of **KHYBER TEXTILE MILLS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023, 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 statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report the statement of financial position, and 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

***Basis for Qualified Opinion***

During the year ended June 30, 2021 the Company had written back creditors amounting to Rs.18,122,154. The Company had been making efforts to contact the creditors to settle their liability, but there was no response in spite of repeated letters dispatched, therefore the Company decided to write back the same, as they have been outstanding for a very long time. In our opinion this write back, constitutes a departure from the International Financial Reporting Standards (*Paragraph 3.3.1 of IFRS-9*). Had this write back not been made the Current Liabilities and the Accumulated Loss as on July 1, 2021 and July 1, 2022 would have been higher by this amount.

The previous year's audit opinion on the financial statements was also qualified with respect to this matter, therefore our opinion on the current year's financial statements is also qualified because of the effects of this matter on the comparability of the current year's figures and the corresponding figures.

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 Statements* 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 Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our ethical responsibilities in accordance with the Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Emphasis of Matter***

We draw attention to Note 2.2 to the financial statements, which states that these financial statements have been prepared on going concern basis, yet there were factors which had affected the Company's ability to continue as a going concern in the past. Textile operations have been suspended since July 2007. However, the Company changed its line of operations few years back and has been able to generate net cash inflows. The Company is solvent and the Management has concluded that no material uncertainty exists which cast significant doubt on the Company's ability to continue as going concern. A detailed explanation is given in the aforesaid note.

***Key Audit Matter***

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 period. 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. In addition to the matter described in the *Basis for Qualified Opinion* section, following is the key audit matter:

S.No.	Key Audit Matter	How the Matter was addressed in our Audit
1.	<p><b><u>Contingencies and Commitments</u></b></p> <p>Refer note 17 to the financial statements. The Company is subject to material litigations involving different courts pertaining to recovery, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>We have identified this as a key audit matter, because the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant effect on the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses.</p>	<p>Our procedures for verification in this matter and related disclosure included, but not limited to:</p> <ul style="list-style-type: none"> <li>• Discussed legal cases with the management to understand their point of view and obtained and reviewed the litigation documents in order to assess the facts and circumstances;</li> <li>• Obtained independent opinion of legal council's dealing with such cases in the form of confirmation; and</li> <li>• Evaluated the possible outcome of these legal cases in line with the requirements of IAS 37: <i>Provisions, Contingent Liabilities and Contingent assets</i>. The disclosures of legal exposures and provisions were assessed for completeness and accuracy.</li> </ul>

### ***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. As described in the **Basis for Qualified Opinion** section above, we have concluded that other information is materially misstated for the same reason with respect to the amounts in the Annual Report affected by the write back of creditors.

### ***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 Act, 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 statements, 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.

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

***Auditor's Responsibilities for the Audit of the 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. Misstatements 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 decisions of users 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 statements, 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 the 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 disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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 the 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.

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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, except for the matter described in the **Basis for Qualified Opinion** section above, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, together with notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **SAUD ANSARI**

**Clarkson Hyde Saud Ansari**

Chartered Accountants

Date: September 26, 2023

UDIN: AR2023101490BHtrCOFk

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees --- Restated ---	2021 Rupees
<b>NON CURRENT ASSETS</b>				
Property, Plant and Equipment	5	952,750,359	962,873,700	973,972,762
Bearer Plants (Biological Assets)	6	72,450	58,000	-
Long Term Deposits		88,983	88,983	88,983
		<u>952,911,792</u>	<u>963,020,683</u>	<u>974,061,745</u>
<b>CURRENT ASSETS</b>				
Inventory - Livestock (Biological Assets)	7	1,663,200	7,890,000	7,441,000
Inventory - Animal Feed and Medicines		120,880	238,440	205,750
Stores and Spares	8	-	-	-
Advances and Other Receivables	9	23,617	1,247,000	1,200,000
Cash and Bank Balances	10	11,621,222	2,006,927	54,372
		13,428,919	11,382,367	8,901,122
		<u>966,340,711</u>	<u>974,403,050</u>	<u>982,962,867</u>
<b>SHARE CAPITAL AND RESERVES</b>				
Share Capital	11	12,275,030	12,275,030	12,275,030
		<u>12,275,030</u>	<u>12,275,030</u>	<u>12,275,030</u>
<b>Capital Reserve</b>				
Statutory Reserve		257,782	257,782	257,782
Revaluation Surplus on Property, Plant & Equipment	12	919,741,339	927,266,953	935,413,344
<b>Revenue Reserve</b>				
Accumulated Loss		(13,116,647)	(16,699,690)	(19,606,629)
		<u>919,157,504</u>	<u>923,100,075</u>	<u>928,339,527</u>
<b>NON CURRENT LIABILITIES</b>				
Loan from Shareholder / Director	13	16,500,757	16,500,757	-
Deferred Taxation	14	22,329,454	24,175,818	26,415,851
		38,830,211	40,676,575	26,415,851
<b>CURRENT LIABILITIES</b>				
Short Term Loan from Director	15	7,809,718	8,959,718	26,560,475
Trade and Other Payables	16	543,278	432,558	432,558
Provision for Taxation		-	1,234,124	1,214,456
		8,352,996	10,626,400	28,207,489
<b>CONTINGENCIES AND COMMITMENTS</b>				
	17			
		<u>966,340,711</u>	<u>974,403,050</u>	<u>982,962,867</u>

The annexed notes form an integral part of these financial statements

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees --- Restated ---
SALES		27,103,500	14,591,500
Less: COST OF SALES	18	<u>19,426,034</u>	<u>10,815,538</u>
GROSS PROFIT		7,677,466	3,775,962
Less: Administrative Expenses	19	<u>15,858,954</u>	<u>15,277,271</u>
Other Operating Expenses	21	583,290	451,850
Financial Expenses - Bank Charges		3,784	1,207
		<u>16,446,028</u>	<u>15,730,328</u>
		(8,768,562)	(11,954,366)
Gain / (Loss) on Remeasurement of Biological Assets		(1,317,724)	238,255
Other Operating Income - Rent		5,433,400	5,319,500
Agriculture Income		<u>124,500</u>	<u>151,250</u>
OPERATING LOSS		(4,528,386)	(6,245,361)
PROFIT / (LOSS) BEFORE TAXATION		<u>(4,528,386)</u>	<u>(6,245,361)</u>
TAXATION	22	(613,371)	(1,034,915)
NET PROFIT / (LOSS) FOR THE YEAR		<u>(3,915,015)</u>	<u>(5,210,446)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS)		<u><u>(3,915,015)</u></u>	<u><u>(5,210,446)</u></u>
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	23	<u>(3.19)</u>	<u>(4.24)</u>

The annexed notes form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, Subscribed & Paid Up Capital	Capital Reserves		Accumulated Loss	Total
		Statutory Reserve	Revaluation Surplus		
----- Rupees -----					
Balance as at July 1, 2021	12,275,030	257,782	935,413,344	(19,606,629)	928,339,527
Total Comprehensive Income for the Year					
Net Loss for the year - As previously reported	-			(5,297,452)	(5,297,452)
Prior Period Corrections (Note No.4)				87,006	58,000
Net Loss for the year - Restated				(5,210,446)	(5,239,452)
Other Comprehensive Income				-	-
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	-	-	(5,210,446)	(5,239,452)
Deferred Tax on Incremental Depreciation on Building			(29,006)	-	(29,006)
Balance as at June 30, 2022	12,275,030	257,782	927,266,953	(16,699,690)	923,071,069
Total Comprehensive Income for the Year					
Net Loss for the year	-			(3,915,015)	(3,915,015)
Other Comprehensive Income				-	-
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	-	-	(3,915,015)	(3,915,015)
Deferred Tax on Incremental Depreciation on Building			(27,556)	-	(27,556)
Balance as at June 30, 2023	<u>12,275,030</u>	<u>257,782</u>	<u>919,741,339</u>	<u>(13,116,647)</u>	<u>919,128,498</u>



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees --- Restated ---
<b>CASH FROM OPERATING ACTIVITIES</b>		
(Loss) before Taxation	(4,528,386)	(6,245,361)
Adjustments for:		
Depreciation	10,193,581	11,099,062
Loss / (Gain) arising from changes in fair value of Livestock	1,317,724	(238,255)
Financial Expenses	3,784	1,207
Operating profit before working capital changes	6,986,703	4,616,653
<b>(Increase)/Decrease in Operating Assets</b>		
Inventory - Livestock	4,909,076	(210,745)
Inventory - Animal Feed	117,560	(32,690)
Rent Receivable	(23,040)	-
	11,990,299	4,373,218
<b>Increase/(Decrease) in Operating Liabilities</b>		
Trade and Other Payables	110,720	-
Cash generated from/(used in) operations	12,101,019	4,373,218
Financial Expenses	(3,784)	(1,207)
Tax deducted at source/Paid	(1,248,250)	(1,261,456)
Net Cash from/(used in) Operating Activities	10,848,985	3,110,555
<b>CASH FROM INVESTING ACTIVITIES</b>		
Expenditure on Bearer Plants	(14,450)	(58,000)
Purchase of Office Equipment	(70,240)	-
Net Cash from/(used in) Investing Activities	(84,690)	(58,000)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Loan from Directors	(1,150,000)	(1,100,000)
Net Cash from/(used in) Financing Activities	(1,150,000)	(1,100,000)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,614,295	1,952,555
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	2,006,927	54,372
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	11,621,222	2,006,927



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30,  
2023****1 CORPORATE AND GENERAL INFORMATION**

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 the Pakistan Stock Exchange Limited. The activities of the Company were the manufacture and sale of cotton, polyester yarn and cloth, however due external factors the production was halted. Consequently, the Company has been operating an agricultural livestock business on its vacant land since 2017, as a revised principal line of business of the Company, that is agricultural, which was approved by the Registrar of Companies in September 2019. It has also been carrying on alternative business activities of renting excess buildings for warehousing and rental purposes since 2016.

The geographical locations and addresses of Company's premises are as under:

The registered office of the Company, the production facility and agricultural farms are located at Baldher, District Haripur, Khyber Pakhtunkhwa.

**2 BASIS OF PRESENTATION****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the accounting and financial reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of: International Financial Reporting Standards 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of Measurement**

These accounts have been prepared under the historical cost convention, as modified by the revaluation of certain items of property, plant and equipment and inventory of livestock which is carried at fair value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for under the accrual basis of accounting.

***Going Concern Assumption***

These financial statements have been prepared on a going concern basis, as opposed to the Company's ability to continue as a going concern in the past. The primary issue being that the Textile operations have been suspended since FY 2008. The core reason for the continued adverse situation is the financial squeeze resulting from ongoing litigation in the High Courts (Reference note no. 17). Consequently, the Company continues to appear on the SBP Credit Information Bureau Report as a defaulter of National Bank of Pakistan, which has caused a complete restriction on access to credit from the financial institutions. The continued litigation also restricts the Company from disposing off its excess land to meet the BMR and working capital requirements to restart the textile unit. Further, matters of resuming production have been complicated because of electric power load shedding, escalating power tariffs, and restrictions on the installation and use of industrial gas meter and generators. Nonetheless, the Board of Directors, and Management's objective is to restart the textile unit once the funding is available from the Banks, for which the Company's Management is diligently pursuing the High Court cases so that they may reach finality and the credit facilities are restored. Hence, there is a legal obligation to keep the entity in existence till the final decision of the litigation commenced by the banks as disclosed in note no. 17. It is worth mentioning that National Bank of Pakistan lost its loan recovery suit instituted before the



Banking Judge Peshawar High Court and is now using delaying tactics to avoid the finalization of its appeal pending before the Honorable Peshawar High Court.

Subsequent to the closure of textile operations, the Company has made investments in an Agricultural Livestock Farm, dedicating a substantial amount of the Company's vacant land to the livestock farm and the production of crops for its cattle. Additionally, irrigation and water storage systems were constructed to facilitate fodder production. As a result of these efforts, the Company's agricultural business has been successful in making returns. The Company has also rented some of the vacant buildings for warehousing etc. to reputable organizations and local distributors, generating further revenue.

Financial support is also available from the directors, who have financially assisted the Company in the past and stand ready to do so in the future. The Company's equity is positive, and it has been generating positive cash flows from operations by way of its livestock business and renting out empty buildings, for the last few years. Further, as a result of creating some measure of financial stability, the Company's current assets have become greater than the current liabilities giving the Company a positive working capital. It should be noted that the main cause of loss is the charging of depreciation on idle items of property, plant and equipment which had been revalued upward in 2019. This is a non-cash expense which does not affect the liquidity position of the Company. Consequently, the Company is solvent, and Management has concluded that no material uncertainty exists which cast significant doubt on the Company's ability to continue as a going concern.

### **2.3 Functional and Presentation Currency**

These financial statements are presented in Pakistan Rupees, which is the company's functional and presentation currency.

### **2.4 Use of Estimates and Judgements**

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and judgements that have a significant effect on the financial statements, are included in the following: -

#### ***Depreciable amount and useful lives of Property, Plant and Equipment***

In accordance with the accounting policy, the management carries out an annual assessment of depreciation amount and useful lives of assets. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

#### ***Biological Assets – Livestock***

The fair value of the biological assets (livestock) is determined annually by the management of the Company which is based on market conditions and physical attributes of livestock existing at the end of each reporting period, which is subject to change at each period end due to market conditions.

#### ***Stores and Spares***

The Company reviews the net realizable value and impairment of stores and spares to assess any diminution in the respective carrying value and wherever required provision for impairment is made. The calculation of provision involves the use of estimates with regard to future estimated use and past consumption of stores and spares along with holding period.

**Income Taxes**

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

**2.5 New standards, interpretations and amendments to published approved accounting standards that are effective in the current year**

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2022:

**IAS 37 Onerous Contracts****Effective date: January 1, 2022**

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

**IAS 16 Proceeds before an asset's intended use** **Effective date: January 1, 2022**

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use In or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

**2.6 Standards, interpretations and amendments to published approved accounting standards that are neither yet effective nor early adopted by the Company:**

The following new standards and amendments to the approved accounting standards as applicable in Pakistan are not effective for the financial year beginning on July 1, 2022 and have not been early adopted the Company:

**IAS 1 Classification of liabilities as current or non-current** **Effective date: January 1, 2024.**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after considering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months of the reporting date.

**IAS 1 Disclosure of accounting policies****Effective date: January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

**IAS 12 Deferred Tax****Effective date: January 1, 2023**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

**IFRS 16 Sale and Leaseback Transactions****Effective date: January 1, 2023**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessee to reassess and potentially restate sale-and leaseback transactions entered.

**IAS 8 Definition of accounting estimates****Effective date: January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

**3 SIGNIFICANT ACCOUNTING POLICIES****3.1 Property, Plant and Equipment:**

These are stated at cost less depreciation. Depreciation is charged on pro- rata basis under reducing balance method at the rates mentioned in Note No. 5. Freehold land, building & civil works and plant & machinery are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognized subsequent to the date of revaluation. Revaluation is carried out so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited to "Surplus on Revaluation of Property, Plant and Equipment". A decrease in the carrying amount arising on revaluation is charged to the statement of comprehensive income to extent that it exceeds the balance, if any,

held in the surplus on revaluation to a previous revaluation of that assets. The surplus on revaluation- net of deferred tax to the extent of incremental depreciation charged on the related revalued assets is transferred to unappropriated profit. Revaluation is carried out so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited to "Surplus on Revaluation of Property, Plant and Equipment". A decrease in the carrying amount arising on revaluation is charged to the statement of comprehensive income to extent that it exceeds the balance, if any, held in the surplus on revaluation of fixed assets to a previous revaluation of that assets. The surplus on revaluation- net of deferred tax to the extent of incremental depreciation charged on the related revalued assets is transferred to unappropriated profit.

In case of additions to fixed assets depreciation is charged from the month addition is made and in case of disposal of items of fixed assets up to the month the asset has been in use of the Company.

The assets residual values and useful lives are reviewed and adjusted if appropriate at each financial year end. The effect of any adjustment in residual value and useful lives is recognized prospectively as a change of accounting estimates.

Repairs and maintenance of major amounts are capitalized, while normal repair and maintenance of assets are charged to the income as and when incurred.

Gains and losses on disposal of assets, if any, are taken to the profit and loss account.

### **3.2 Bearer Plants (Biological Assets)**

Bearer plants i.e. living plants expected to bear produce for more than one period are accounted for as property, plant and equipment in accordance with IAS 16. They are being carried at cost. Costs capitalization shall cease when the bearer plants reach maturity, costs will cease to be capitalized and depreciation will commence, on the basis of the useful life of the bearer plants..

### **3.3 Inventory - Livestock (Biological Assets)**

Livestock is measured on initial recognition and at each reporting date at fair value less costs to sell. Initial cost incurred in acquisition of livestock is also added to cost like transportation, labour etc. along with cost of feed and vaccination.

Gain /(Loss) arising, if any, from changes in fair value of livestock is recognized in profit or loss account.

### **3.4 Stores and Spares**

These are stated at lower of cost and net realizable value using moving average cost method except items in transit which are valued at cost accumulated up to the balance sheet date. Cost comprises purchase cost and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less the cost necessarily to be incurred in order to make the sale. The Company reviews the carrying amount of stores on regular basis and provision is made for obsolescence, if any.

### **3.5 Financial Instruments**

The Company follows IFRS 9 "Financial Instruments" in respect of financial instruments.

#### **Financial Assets**

The standard prescribes three classification and measurement models for financial assets as follows:

- \* Measured at Amortized Cost

- \* Measured at Fair Value through Other Comprehensive Income (FVTOCI)
- \* Measured at Fair Value through Profit or Loss (FVTPL)

**Financial Liabilities**

The standard prescribes following classification and measurement models for financial liabilities

- \* Measured at Amortised Cost
- \* Measured at Fair Value through Profit or Loss (FVTPL)

**Recognition of Financial Instruments**

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

**Initial Measurement of Financial Instruments**

At initial recognition a financial asset or financial liability, is measured at fair value, plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of financial asset or financial liability.

**3.5.1 Trade and Other Payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost. Subsequently they are measured at amortised cost.

**3.5.2 Short Term Borrowings**

Short term borrowings from directors, which are payable on demand, are carried at loan amount, which is approximate of their initial fair value.

**3.5.3 Long Term Borrowings**

Long term borrowings from directors, for which they have deferred their right to claim repayment at least twelve months from the reporting date, are also carried at loan amount, which is approximate of their initial fair value.

**3.5.4 Offsetting of Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.6 Taxation*****Current***

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum taxation on the turnover under section 113 of the Income Tax Ordinance, 2001, whichever is higher.

***Deferred***

Deferred tax is provided using the liability method for all temporary difference at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial statements reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that taxable

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profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

### **3.7 Cash and Cash Equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and current and deposit accounts with the commercial banks.

### **3.8 Revenue Recognition**

The Company follows IFRS 15 for recognition of revenue from contracts with customers. The Standard provides a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. If the consideration promised in a contract includes a variable amount such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events, such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

#### **Sale of Livestock**

The performance obligation is satisfied at the point in time when the animals are handed over to the customers.

#### **Rent Income**

The performance obligation is satisfied at the point in time when the rent becomes due in accordance with the rental contracts.

**4 CORRECTION OF PRIOR PERIOD ERROR**

In prior year Company incurred expenditure on sowing of olive plants, which are in the nature of biological assets and requires capitalization under IAS 16, but inadvertently charged off to expenses. Similarly, tax effect of incremental depreciation on revaluation of building could not be transferred from revaluation surplus to deferred tax liability and the same could not be credited to the tax charge, as result revaluation surplus as well as loss after tax were overstated by the same amount. These errors have been corrected this year. The effects of the corrections have been incorporated in the financial statements, by restating the affected items for the prior period, as follows:

Statement of Financial Position

	As at July 1, 2021			As at June 30, 2022		
	June 30, 2021	Corrections	July 1, 2021	June 30, 2022 (as previously reported)	Corrections	July 30, 2022 (Restated)
	Rupees			Rupees		
<u>Non Current Assets</u>						
Bearer Plants (Biological Assets)	-	-	-	-	58,000	58,000
<u>Equity</u>						
Revaluation Surplus	935,413,344	-	935,413,344	927,295,959	(29,006)	927,266,953
Accumulated Loss	(19,606,629)	-	(19,606,629)	(16,786,696)	58,000	16,728,696
	<u>915,806,715</u>	<u>-</u>	<u>915,806,715</u>	<u>910,509,263</u>	<u>28,994</u>	<u>943,995,649</u>

Statement of Profit or Loss

	For the year ended June 30, 2022		
	As previously reported	Corrections	Restated
	Rupees		
Loss before tax	(6,303,361)	58,000	(6,245,361)
Taxation	(1,005,909)	(29,006)	(1,034,915)
Loss after tax	<u>(5,297,452)</u>	<u>87,006</u>	<u>(5,210,446)</u>
Earnings per share - Basic and Diluted	<u>(4.32)</u>	<u>0.05</u>	<u>(4.27)</u>

## 5 PROPERTY, PLANT AND EQUIPMENT

For the Year ended June 30, 2023

PARTICULARS	COST / REVALUATION			Rate %	DEPRECIATION			W.D.V
	AS AT 01.07.22	Addition/ (Deletion)	AS AT 30.06.23		AS AT 01.07.22	FOR THE YEAR	AS AT 30.06.23	AS AT 30.06.23
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Free Hold Land	823,500,000	-	823,500,000	-	-	-	-	823,500,000
Building on Free Hold Land	145,282,464	-	145,282,464	5%	70,265,248	3,750,861	74,016,109	71,266,355
Sheds for Livestock	2,653,804	-	2,653,804	10%	895,893	175,791	1,071,684	1,582,120
Plant and Machinery	291,164,189	-	291,164,189	10%	229,053,389	6,211,080	235,264,469	55,899,720
Tools and Equipment	1,200,738	-	1,200,738	10%	1,134,181	6,656	1,140,837	59,901
Electric Fittings	7,933,823	-	7,933,823	10%	7,573,450	36,037	7,609,487	324,336
Furniture and Fixtures	877,824	-	877,824	10%	849,615	2,821	852,436	25,388
Telephone Fittings	238,000	-	238,000	10%	229,058	894	229,952	8,048
Office Equipment	408,665	70,240	478,905	10%	401,175	7,773	408,948	69,957
Electric and Gas Appliances	433,468	-	433,468	10%	417,741	1,573	419,314	14,154
Motor Vehicle	907,904	-	907,904	20%	907,429	95	907,524	380
	<u>1,274,600,879</u>	<u>70,240</u>	<u>1,274,671,119</u>		<u>311,727,179</u>	<u>10,193,581</u>	<u>321,920,760</u>	<u>952,750,359</u>

The Management of the Company in compliance with the Order dated April 29, 2013 issued by the Securities & Exchange Commission of Pakistan has carried out a formal assessment of the fair value of property, plant and equipment of the Company. Revaluation of plant, property and equipment was carried out first time in June 2013 by an independent valuer, M/s Impulse (Pvt) Ltd., 1081, 4th Floor, Rehman Building, Saddar Road, Peshawar. The revaluation of Freehold land, building & civil works and plant & machinery has resulted in Revaluation Surplus of Rs. 292.698 million, Rs. 104.926 million and Rs. 75.793 million respectively in the book value.

As on June 30, 2019 Freehold land, building and civil works including sheds for livestock and plant & machinery were revalued again by M/s. Impulse (Pvt) Limited (an independent Valuer) which resulted in increase in surplus of Rs. 533.700 million, Rs. 13.478 million and Rs. 36.509 million respectively in the book value.

The fair values of assets have been determined with reference to market-based evidences, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location and conditions of the specific property and in case where market-based evidences are not available or not applicable due to the specialized nature of asset, then it were based on depreciated replacement cost method.

Forced sale value as per revaluation report dated June 30, 2019 of freehold land, building & civil works including sheds for livestock and plant & machinery of Rs. 741.150 million, 76.422 million and 68.160 million respectively.

Had there been no revaluation, the values of specific classes of freehold land, building & civil works and plant & machinery at June 30, 2022 would have been as follows:

	Cost	Accumulated Depreciation	Written Down Values
Freehold Land	101,574	-	101,574
Building and Civil Works	28,350,309	26,544,951	1,805,358
Sheds for livestock	1,181,837	565,475	616,362
Plant and Machinery	178,861,971	170,700,650	8,161,321
	<u>208,495,691</u>	<u>197,811,076</u>	<u>10,684,615</u>



**For the Year ended June 30, 2022**

PARTICULARS	COST / REVALUATION			Rate %	DEPRECIATION			W.D.V AS AT 30.06.22
	AS AT 01.07.21	Addition/ (Deletion)	AS AT 30.06.22		AS AT 01.07.21	FOR THE YEAR	AS AT 30.06.22	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Free Hold Land	823,500,000	-	823,500,000	-	-	-	-	823,500,000
Building on Free Hold Land	145,282,464	-	145,282,464	5%	66,316,973	3,948,275	70,265,248	75,017,216
Sheds for Livestock	2,653,804	-	2,653,804	10%	700,570	195,323	895,893	1,757,911
Plant and Machinery	291,164,189	-	291,164,189	10%	222,152,189	6,901,200	229,053,389	62,110,800
Tools and Equipment	1,200,738	-	1,200,738	10%	1,126,786	7,395	1,134,181	66,557
Electric Fittings	7,933,823	-	7,933,823	10%	7,533,408	40,042	7,573,450	360,373
Furniture and Fixtures	877,824	-	877,824	10%	846,481	3,134	849,615	28,209
Telephone Fittings	238,000	-	238,000	10%	228,064	994	229,058	8,942
Office Equipment	408,665	-	408,665	10%	400,343	832	401,175	7,490
Electric and Gas Appliances	433,468	-	433,468	10%	415,993	1,748	417,741	15,727
Motor Vehicle	907,904	-	907,904	20%	907,310	119	907,429	475
	<u>1,274,600,879</u>	<u>-</u>	<u>1,274,600,879</u>		<u>300,628,117</u>	<u>11,099,062</u>	<u>311,727,179</u>	<u>962,873,700</u>

	<b>2023</b> <b>Rupees</b>	<b>2022</b> <b>Rupees</b> <b>--- Restated ---</b>
<b>Allocation of Depreciation</b>		
Cost of Sales	175,791	195,323
Administrative Expenses	<u>10,017,790</u>	<u>10,903,739</u>
	<u>10,193,581</u>	<u>11,099,062</u>

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

<u>Location</u>	<u>Usage of Immovable</u>	<u>Area</u>
Plot bearing Khasra # 173, 357, 358, 462, 466, 460, 36, 38, 67/1 Qitta 4 situated at Baldher, Shahrah-e-Resham, District Haripur, Khyber Pakhtunkhwa.	Production facility, Plant, Warehouses, Labor Colony, Livestock Farm, Agriculture Land and Head Office	366 Kanals / 45.75 Acres

**6 BEARER PLANTS (Biological Assets)** 72,450 58,000

This represents expenditure on plantation of olive trees, incurred to date, accounted for under IAS 16 read with IAS 41.

**7 INVENTORY - LIVESTOCK**

Inventory - Livestock (Biological Assets) 1,663,200 7,890,000

**Reconciliation of the carrying amount of Livestock:**

Opening - At Cost	6,161,495	5,950,750
Purchases - Mature Animals	<u>9,022,200</u>	<u>8,082,240</u>
	15,183,695	14,032,990
Animals Sold - Cost	<u>(13,931,276)</u>	<u>(7,871,495)</u>
	1,252,419	6,161,495

**Changes due to Fair Value**

Excess of Fair Value over Cost - Opening	1,728,505	1,490,250
Gain / (Loss) on Remeasurement to Fair Value	<u>(1,317,724)</u>	<u>238,255</u>
	410,781	1,728,505
	<u>1,663,200</u>	<u>7,890,000</u>

The number of Mature and Immature animals as at June 30, 2023 is 16 and NIL ( 2022: 96 and NIL ) respectively

	2023 Rupees	2022 Rupees --- Restated ---
<b>8 STORES AND SPARES</b>		
General Stores	3,000,000	3,000,000
Less: Provision for Obsolescence	(3,000,000)	(3,000,000)
	<u>-</u>	<u>-</u>
<b>9 ADVANCES AND OTHER RECEIVABLES</b>		
<b>Advances</b>		
Advance Income Tax	577	1,247,000
<b>Other Receivable</b>		
Income Tax and Sales Tax Receivable	266,327	266,327
Less: Provision for Expected Credit Loss	(266,327)	(266,327)
	-	-
Rent Receivable	23,040	-
	<u>23,617</u>	<u>1,247,000</u>
<b>10 CASH AND BANK BALANCES</b>		
Cash in Hand	3,442,864	88,732
Cash at Bank - Current Accounts	8,178,358	1,918,195
	<u>11,621,222</u>	<u>2,006,927</u>
<b>11 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,500,000 ( 2022: 1,500,000 ) Shares of Rs. 10 each	<u>15,000,000</u>	<u>15,000,000</u>
<b>Issued</b>		
1,298,543 ( 2022: 1,298,543 ) Shares of Rs. 10 each	<u>12,985,430</u>	<u>12,985,430</u>
<b>Subscribed and Paid up</b>		
517,813 ( 2022 : 517,813 ) Ordinary shares of Rs. 10 each issued as fully paid in cash	5,178,130	5,178,130
200,000 ( 2022 : 200,000 ) Ordinary shares of Rs. 10 each issued as Rs.8.75 paid in cash	1,750,000	1,750,000
	6,928,130	6,928,130
64,897 ( 2022 :64,897 ) Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	648,970	648,970
444,793 ( 2022 : 444,793 ) Ordinary shares of Rs. 10 each issued as fully paid up bonus shares	4,447,930	4,447,930
200,000 (2022 : 200,000 ) Ordinary shares of Rs. 10 each issued Rs.1.25 paid up bonus shares to make other shares issued as fully paid up.	250,000	250,000
	4,697,930	4,697,930
	<u>12,275,030</u>	<u>12,275,030</u>
<b>Capital Management</b>		

The main objective of the Company, when managing capital is to maintain optimal capital structure to ensure ample availability of finance for its existing operations, to safeguard the Company's ability to continue as a going concern and to provide returns for the shareholders.

	2023 Rupees	2022 Rupees -- Restated --
<b>12 REVALUATION SURPLUS</b>		
This represents revaluation surplus relating to Freehold Land, Building and Civil Works and Plant & Machinery of the company (Refer Note 5). The movement in the revaluation surplus during the year is as follows:		
Revaluation Surplus as at July, 1	927,266,953	935,413,344
Transferred to Unappropriated Profit due to incremental depreciation net off tax	(7,498,058)	(8,117,385)
Deferred Tax on incremental depreciation on bulding	<u>(27,556)</u>	<u>(29,006)</u>
	<u>919,741,339</u>	<u>927,266,953</u>
<b>13 LOAN FROM SHAREHOLDER / DIRECTOR</b>	<u>16,500,757</u>	<u>16,500,757</u>
This represents the amount received from one of the shareholder / director of the Company for the purpose of working capital requirements. The loan is interest free, unsecured and the director has deferred his right to repayment at least twelve months from the date of the these financial statements.		
<b>14 DEFERRED INCOME TAX LIABILITY</b>		
The liability for deferred tax comprises temporary difference relating to:		
Revaluation of Property, Plant and Equipment	21,822,241	23,364,042
Accelerated Tax Depreciation	1,879,533	2,003,988
Fair Value of Inventory - Live Stock	119,126	501,266
Unused Tax Depreciation and Tax Loss	(544,211)	(746,243)
Provision for Expected Credit Losses	(77,235)	(77,235)
Provision for Stores and Spares Obsolescence	<u>(870,000)</u>	<u>(870,000)</u>
	<u>22,329,454</u>	<u>24,175,818</u>
<b>15 SHORT TERM LOAN FROM DIRECTOR</b>	<u>7,809,718</u>	<u>8,959,718</u>
This represents the amount received from a director of the Company for the purpose of working capital requirements. The loan is interest free, unsecured and repayable on demand.		
<b>16 TRADE AND OTHER PAYABLES</b>		
Advance against rent	80,000	80,000
Accrued Liabilities	434,720	324,000
Other Liabilities	<u>28,558</u>	<u>28,558</u>
	<u>543,278</u>	<u>432,558</u>

**17 CONTINGENCIES AND COMMITMENTS****Pending Litigation****National Bank of Pakistan (NBP) vs. Company**

During the 1990s, NBP's policy towards the Company for restriction of working capital and lack of access to Balancing, Modernization and Replacement (BMR) funds that the Company required, led to losses for the Company. Due to NBP's coercive methods, the Company agreed to the Bank's offer to take part in the Committee for the Revival of Sick Units (RSU) for consideration on outstanding dues. These Committees were formed by the Federal Government and given a mandate by the State Bank of Pakistan to assist industries in genuine distress due to credit restrictions. The Committee's authority and binding nature of recommendations were confirmed through the issuance of SBP BPRD Circular No. 19. Which stated, regarding settlement by the parties, "In case no clearance or objection is received within seven days from the date of the decision of the Committee, it will be deemed as final." Moreover, further SBP Circulars were also issued, directing NBP and other commercial banks to follow the decisions of the Government mandated RSU Committees. The RSU Committee checked and examined the facts, determining that the Company's case was genuine and hence accepted the Company's case, which was referred to the Committee by NBP. The Bank's Senior Management nominated the Executive Vice President/Deputy Regional Chief Executive of the NBP who took part in the proceedings of Committee No.5 robustly; the positions of both sides were laid bare before the Committee. NBP submitted its total outstanding liabilities amounting to Rs.7.4 Million, which were accepted by the Committee. The Committee decided that repayment of the liability in instalments and determination of the SPTCs in accordance with original agreement with the lead bank PICIC. The recommendations were appropriately conveyed to NBP for confirmation indicating that in case no response is received within 7 days, the decision shall become final. After receiving 3 instalments from the Company, NBP issued a letter, 9 months after receipt of the Committee's decision, stating that the Committee's recommendations had not been accepted and that it was instituting a suit for recovery of liabilities. Despite this, the Company continued to abide by the binding decisions of Committee No. 5 and repaid NBP's entire loan including interest amounting to Rs.9.57 million. Although the decisions of the Committee were applicable and binding, in 1998 NBP filed a lawsuit against the Company in the Peshawar High Court for recovery of Rs.437 Million, erroneously calculated based on loans from the 1970s and 1980s, thereby ignoring the binding decisions of the IRC (1982/1986) and RSU Committee Number 5 (1997).

The Company's Management is pleased to inform you that the National Bank of Pakistan versus Khyber Textile Mills Ltd. Suit has been dismissed and decided in favour of the Company by the Honorable Peshawar High Court (PHC) in 2014. The judgment is based on the legal and factual aspects, in which the Honorable Banking Judge has determined that the Company had indeed paid all outstanding dues to NBP, in accordance with the decision of Committee No.5. It was also held in the ruling that the State Bank of Pakistan had issued Circulars constituting these Committees, in which SBP directed the Banks to follow the decisions of the Committee. However, NBP filed an appeal in the Peshawar High Court against the Judgment, and, arguments on appeal are pending. Nonetheless, the Company will continue to defend against NBP's appeal vigorously. Therefore, no provision is required against this case liability.

**Investment Corporation of Pakistan (ICP), NBP and Others vs. Company**

The Hon'ble Sindh High Court (SHC) in 2010 has set aside the ex-parte Judgment and Decree fraudulently obtained by ICP, NBP & Others based on observing that the Banks had not served legal notice to the Company's registered address in Baldher, Haripur, NWFP (now KP). Further, due to the Banks fraudulent statement of accounts and inflated calculations in their original suit, their claim against the Company was revised downwards by the Court to Rs.50 Million. Subsequently, the Honorable Sindh High Court Judge ordered KTML to file a Leave to Defend application so that the case may proceed with both sides present. The Company then filed a Leave to Defend Application, which was admitted by the SHC in 2016, following which evidence has been concluded and the matter is at the stage of final arguments.

The suit's decisions are pending on issues of res judicata, jurisdiction and limitation raised by the Company's Attorney in the SHC. KTML's position is that this suit is time-barred as these loans were provided in the 1970s and were repaid to the creditors as per the restructuring agreement determined by the IRC and Committee No.5. The Company's Management and legal team are optimistic that this suit has no standing and will be dismissed as NBP has filed two suits for recovery of the same finance in two different High Courts. Finally, a judgment on these issues in the Company's favour has already been given by the Honorable Peshawar High Court, which has been submitted by our attorney in the Honorable Sindh High Court. Therefore, no provision is required against this case liability.

It must be noted that the Banks are actively avoiding the finalization of litigation by evading arguments before the Honorable High Courts, to extend their financial restrictions and pressurize the Company to give in to their unjust demands. Nonetheless, our legal advisors are striving to obtain further favorable decisions from the Courts in order, to end this long-standing litigation.

	2023 Rupees	2022 Rupees --- Restated ---
<b>18 COST OF SALES</b>		
Purchases	9,022,200	8,082,240
Animal Feed and Medicines Consumed ( Note 18.1 )	4,022,507	2,238,910
Salaries and Wages	453,000	381,000
Sowing and Harvesting Expenses for Animal Feed	574,800	-
Animal Sheds Repairs	126,580	-
Animal Care Expenses	142,080	128,810
Depreciation	175,791	195,323
	<u>14,516,958</u>	<u>11,026,283</u>
Opening Inventory - At cost	6,161,495	5,950,750
Closing Inventory - At Cost	(1,252,419)	(6,161,495)
	<u>4,909,076</u>	<u>(210,745)</u>
	<u>19,426,034</u>	<u>10,815,538</u>
<b>18.1 Animal Feed and Medicines Consumed</b>		
Opening Stock	238,440	205,750
Purchases	3,904,947	2,271,600
	<u>4,143,387</u>	<u>2,477,350</u>
Closing Stock	(120,880)	(238,440)
	<u>4,022,507</u>	<u>2,238,910</u>
<b>19 ADMINISTRATIVE EXPENSES</b>		
Salaries and Allowances ( Note No.20 )	2,457,000	1,956,200
Conveyance, Traveling & Entertainment	129,050	65,000
Postage, Telegram & Telephone	96,930	66,429
Membership Fee & Subscription	838,327	548,891
Legal and professional charges	230,000	82,000
Printing & Stationery	144,982	70,000
Fuel and Power	1,089,485	1,162,162
Advertisement	145,500	72,000
Repairs & Maintenance	709,890	350,850
Depreciation Expenses	10,017,790	10,903,739
	<u>15,858,954</u>	<u>15,277,271</u>
<b>20 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES</b>		
No remuneration were paid to the directors, chief executive and other executives.		
<b>21 OTHER OPERATING EXPENSES</b>		
<b>Auditors' Remuneration</b>		
Annual Audit Fee	432,000	324,000
Half Yearly Review	91,800	81,000
Out of Pocket Expenses	59,490	46,850
	<u>583,290</u>	<u>451,850</u>
<b>22 TAXATION</b>		
Current Tax Charge	1,260,549	1,234,124
Deferred Tax	(1,873,920)	(2,269,039)
	<u>(613,371)</u>	<u>(1,034,915)</u>

	2023 Rupees	2022 Rupees --- Restated ---
<b>22.1 Tax Reconciliation</b>		
Profit Before Taxation	<u>(4,528,386)</u>	<u>(6,245,361)</u>
Tax at applicable rate of 29% (29% : 2022)	-	-
Tax Effect of Admissible Deductions - Net	-	-
Tax Effect of Income subject to Separate Block	1,260,549	1,234,124
Tax Effect of Unused Tax Losses	-	-
Deferred Tax - Reversal of Temporary Difference	<u>(1,873,920)</u>	<u>(2,269,039)</u>
	<u>(613,371)</u>	<u>(1,034,915)</u>
<b>23 EARNINGS / (LOSS) PER SHARE</b>		
Net profit for the year	<u>(3,915,015)</u>	<u>(5,210,446)</u>
Number of shares outstanding during the year	<u>1,227,503</u>	<u>1,227,503</u>
Earnings / (Loss) per share - Basic and diluted	<u>(3.19)</u>	<u>(4.24)</u>

## 24 FINANCIAL INSTRUMENTS BY CATEGORY

	Amortised Cost	FVTPL/FTOCI	Total
	----- Rupees -----		
<b><u>As at June 30, 2023</u></b>			
<b>Financial Assets</b>			
Long Term Deposit	88,983	-	88,983
Rent Receivable	23,040	-	23,040
Cash and Bank Balances	11,621,222	-	11,621,222
	<u>11,733,245</u>	-	<u>11,733,245</u>
<b>Financial Liabilities</b>			
Loan from Directors	24,310,475	-	24,310,475
Trade and Other Payables	543,278	-	543,278
	<u>24,853,753</u>	-	<u>24,853,753</u>
	Amortised Cost	FVTPL/FTOCI	Total
	----- Rupees -----		
<b><u>As at June 30, 2022</u></b>			
<b>Financial Assets</b>			
Long Term Deposit	88,983	-	88,983
Cash and Bank Balances	2,006,927	-	2,006,927
	<u>2,095,910</u>	-	<u>2,095,910</u>
<b>Financial Liabilities</b>			
Loan from Directors	25,460,475	-	25,460,475
Trade and Other Payables	432,558	-	432,558
	<u>25,893,033</u>	-	<u>25,893,033</u>

**25 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms' length transaction. Consequently, differences may arise between the carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

**25.1 Fair Value Hierarchy**

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the financial instruments are classified into the following three levels:

- Level - 1** fair value measurements are those inputs derived from unadjusted quoted prices in active markets for identical assets and liabilities.
- Level - 2** fair value measurements are those inputs determined using valuation techniques which maximise the use of observable market data and rely as little as possible on on entity-specific estimates. If all significant inputs
  - \* Adjusted quoted active market prices
  - \* Quoted price for a similar asset in an active market
  - \* There are no significant unobservable inputs
- Level - 3** fair value measurements are those inputs derived from valuation techniques that include inputs which are not based on observable market data. Examples are:
  - \* Discounted cash flows
  - \* Depreciated replacement cost

The Company does not hold any financial instrument, which can be classified in any of the above levels. Financial assets and liabilities are not measured at fair value, because the carrying value of all financial assets and liabilities approximate their fair value.

**26 FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT****26.1 Credit Risk**

Credit risk represents the accounting loss that would be recognised if counter parties fail completely to perform as contracted.

**Exposure to Credit Risk**

The company is exposed to credit risk on the following financial assets. The carrying amount of these financial assets represents the maximum credit exposure at the reporting date, which is detailed as follows:

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
Long Term Deposits	88,983	88,983
Cash at Bank	8,178,358	1,918,195
	<u>8,267,341</u>	<u>2,007,178</u>

**Concentration of Credit Risk**

Concentration of credit risk arises from exposure to a single debtor, or when a number of counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

**26.2 Market Risk**

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: price risk, interest rate risk and foreign currency risk.

**26.2.1 Sales Price Risk**

The company is exposed to sales price risk, related to livestock.

## 26.2.2 Interest Rate Risk

The Company is not exposed to interest rate risk as there no interest bearing financial instruments.

## 26.2.3 Foreign Currency Risk

The Company is also not exposed to foreign currency risk.

## 26.3 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The company believes that it is not exposed to any significant level of liquidity risk, as support is available from the directors and assets of the company are readily disposable in the market.

Following are the contractual maturities of financial liabilities:

	Payable after one year	Payable within one year	Total
	----- Rupees -----		
<b>Non-Derivative Financial Liabilities</b>			
as at June 30, 2023			
Loan from Directors	16,500,757	7,809,718	24,310,475
Trade and Other Payables	-	543,278	543,278
	16,500,757	8,352,996	24,853,753
<b>Non-Derivative Financial Liabilities</b>			
as at June 30, 2022			
Loan from Directors	16,500,757	8,959,718	25,460,475
Trade and Other Payables	-	432,558	432,558
	16,500,757	9,392,276	25,893,033

## 27 RELATED PARTY TRANSACTIONS

Related parties comprise of group companies (associates), directors, major shareholders, their close family members and key management personnel. Transactions with related parties during the year, other than and including those which have been disclosed elsewhere in these financial statements, are given below:

<u>Name of Related Party</u>	<u>Nature of Transaction</u>		
Mr. Jadoon Adam - CEO/Director	Loan ( repaid )	(1,150,000)	(1,100,000)

## 28 FIGURES

Figures have been rounded off to the nearest rupee.

## 29 NUMBER OF EMPLOYEES

Total employees of the Company at year end	9	9
Average employees of the Company during the year	9	10

## 30 PLANT CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2023	2022	2023	2022
Yarn				
Coarse ( Kilograms )	431,267	431,267	-	-
Medium ( Kilograms )	3,780,187	3,780,187	-	-
Fine ( Kilograms )	206,570	206,570	-	-

Plant is closed due to the reasons explained in Note No.1

## 31 DATE OF AUTHORISATION

These financial statements were authorised for issue on September 26, 2023 by the Board of Directors of the Company.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE



**Pattern Of Share Holding - Form "34"  
Shareholders Statistics As At June 30, 2023**

<b>Number Of Share Holders</b>	<b>Share Holding From</b>	<b>To</b>	<b>Total Shares Held</b>
163	1 -	100	7,364
166	101 -	500	41,872
57	501 -	1000	43,401
77	1001 -	5000	173,864
16	5001 -	10000	104,949
1	15001 -	20000	19,517
1	30001 -	35000	32,772
1	50001 -	55000	50,373
1	70001 -	75000	74,106
1	110001 -	115000	111,700
1	130001 -	135000	133,069
1	185001 -	190000	187,439
1	245001	250000	247,077
<b>487</b>			<b>1,227,503</b>

**Categories of Share Holders As on June 30, 2023**

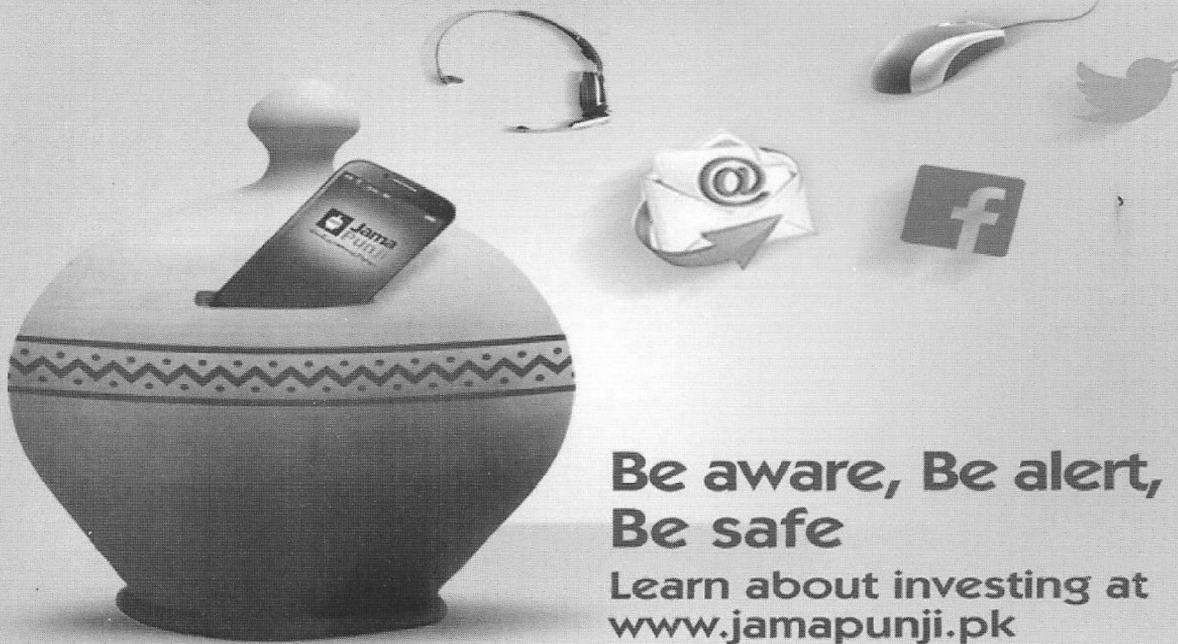
<b>Categories Of Shareholders</b>	<b>Number Of Shareholders</b>	<b>Total Shares Held</b>	<b>Percentage %</b>
Individuals	473	1,186,089	96.63
Joint Stock Companies	7	26,800	2.18
Insurance Companies	1	8,504	0.69
Financial Institutions	4	3,863	0.31
Investment Companies	1	1,688	0.14
Others	1	559	0.05
	<b>487</b>	<b>1,227,503</b>	<b>100.00</b>

**Additional Information as of June 30, 2023 (As per Code of Corporate Governance)**

<b>Shareholders' Category</b>	<b>Shareholders</b>	<b>Shares held</b>	<b>Percentage</b>
<b>Directors, heir Spouse(s) and Minor Children</b>			
Mr. Adam Jadoon	1	247,077	20.13
Mr. Amanullah Khan Jadoon	1	3,085	0.25
Mr. Hassan Ovais	1	2,500	0.20
Mr. Aurangzeb Khan	1	6,029	0.49
Mr. Nusrat Iqbal	1	2,500	0.20
Mr. Muhammad Bahauddin	1	2,800	0.23
Mrs. Aamna Jadoon	1	74,106	6.04
<b>Associated Companies, undertakings and related parties</b>	-	-	-
<b>Executives</b>			
Mr. Sadaqat Khan - Company Secretary	1	50	0.00
Mr. Taj Muhammad - C F O	1	100	0.01
<b>Public Sector Companies and Corporations</b>			
State Life Corporation of Paksitan	1	8,604	0.70
<b>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance, Takaful, Modaraba and Pension Funds</b>			
	11	6,463	0.53
<b>NIT / ICP</b>			
Investment Corporation of Paksitan	1	1,688	0.14
<b>General Public</b>	464	871,942	71.03
	-	-	-
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	1	559	0.05
<b>Total</b>	<b>487</b>	<b>1,227,503</b>	<b>100.00</b>

<b>Shareholders holding 10% or more voting interest</b>	<b>Share Held</b>	<b>Percentage</b>
Mr. Adam Jadoon	247,077	20.13
Mr. Zafar Iqbal Jadoon	187,439	15.27
Mr. Omar Farid Jadoon	133,069	10.84

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**FORM OF PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_  
 (full address) being a member of **Khyber Textile Mills Limited** having Folio # \_\_\_\_\_ do  
 hereby appoint Mr./Ms. \_\_\_\_\_ having Folio# \_\_\_\_\_  
 of \_\_\_\_\_ (full  
 address) (or failing him) Mr./Ms. \_\_\_\_\_ having  
 Folio# \_\_\_\_\_ of \_\_\_\_\_ (full address)  
 I being another Member of the Company as my/our proxy to attend and vote for me/us on my/our behalf, at the  
 Annual General Meeting of the Company to be held on Thursday, 26th October 2023 at 10:00 AM and to  
 every adjournment thereof.  
 And witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2023, signed by the above-  
 named Shareholder \_\_\_\_\_ in the presence of:

**WITNESSES:**

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
CNIC or Passport No. _____	CNIC or Passport No. _____

CDC Account No.

Revenue Stamp of Rs. 5/-

**Important Notes**

1. A Member of the Company entitled to attend and vote at the Annual General Meeting may only appoint another Member as his/her proxy to attend and vote
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC or Passport number shall be mentioned on the form.
3. Copies of CNIC or Passport of the appointer and proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC or Passport at the time of the meeting.
5. This Proxy Form must be duly completed and signed and received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
6. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.