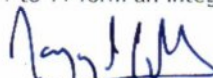
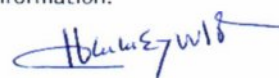


KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	Un-Audited 31/Mar/2019 Rupees	Audited 30/Jun/2018 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,000,000 (30 June 2018: 12,000,000) ordinary shares of Rs. 10 each		<u>120,000,000</u>	<u>120,000,000</u>
Share capital	5	107,000,000	107,000,000
Accumulated loss		(438,744,591)	(429,101,703)
Surplus on revaluation of property, plant and equipment		221,727,962	234,279,097
		<u>(110,016,629)</u>	<u>(87,822,606)</u>
Non-current liabilities			
Long term finances	6	226,769,487	226,682,011
Deferred liabilities		32,951,069	32,951,069
		<u>259,720,556</u>	<u>259,633,080</u>
Current liabilities			
Trade and other payables		113,863,493	113,808,350
Unclaimed dividend	7	24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Short term borrowings	8	68,180,179	68,180,179
		<u>222,892,429</u>	<u>222,837,286</u>
CONTINGENCIES AND COMMITMENTS			
		<u>372,596,356</u>	<u>394,647,760</u>
ASSETS			
Non-current assets			
Property, plant and equipment	9	340,876,438	362,837,330
Long-term deposits		2,001,000	2,001,000
Long-term advances		15,650,727	15,650,727
		<u>358,528,165</u>	<u>380,489,057</u>
Current assets			
Stores, spare parts and loose tools		12,147,495	12,147,495
Trade debts		820,284	820,284
Trade deposits and short-term prepayments		507,100	507,100
Cash and bank balances		593,312	683,824
		<u>14,068,191</u>	<u>14,158,703</u>
		<u>372,596,356</u>	<u>394,647,760</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Nine months ended		Quarter ended	
	31/March/2019	31/March/2018	31/March/2019	31/March/2018
	Rupees		Rupees	
Sales	-	4,343,092	-	-
Cost of sales	-	(29,011,771)	-	(7,788,455)
Gross profit/(loss)	-	(24,668,679)	-	(7,788,455)
Operating expenses				
Distribution and marketing cost	-	(42,336)	-	(29,736)
Administrative and selling expenses	(22,192,715)	(1,257,165)	(7,417,905)	(238,613)
	(22,192,715)	(1,299,501)	(7,417,905)	(268,349)
Finance cost	(1,308)	(23,613)	-	(383)
Loss before taxation	(22,194,023)	(25,991,793)	(7,417,905)	(8,057,187)
Taxation	-	(43,870)	-	-
Loss after taxation	(22,194,023)	(26,035,663)	(7,417,905)	(8,057,187)
Total comprehensive loss	(22,194,023)	(26,035,663)	(7,417,905)	(8,057,187)
Loss per share - basic and diluted	(2.07)	(2.43)	(0.69)	(0.75)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Share capital	Accumulated Loss	surplus on property,	Total Equity
	-----Rupees-----			
Balance as at 30 June 2017	107,000,000	(371,898,720)	250,143,965	(14,754,755)
<i>Total comprehensive loss for the nine months period ended 31 March 2018</i>				
Loss for the period	-	(26,035,663)		(26,035,663)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	13,929,719	(13,929,719)	-
Balance as at 31 March 2018	107,000,000	(384,004,664)	236,214,246	(40,790,418)
<i>Total comprehensive income for the three months period ended 30 Jun 2018</i>				
Loss for the period	-	(49,740,279)	-	(49,740,279)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	4,643,240	(4,643,240)	-
Revaluation surplus on property, plant and equipment for the year (net of tax)	-	-	2,708,091	2,708,091
Balance as at 30 June 2018	107,000,000	(429,101,703)	234,279,097	(87,822,606)
<i>Total comprehensive income for the nine months period ended 31 March 2019</i>				
Loss for the period	-	(22,194,023)	-	(22,194,023)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	12,551,135	(12,551,135)	-
Balance as at 31 March 2019	<u>107,000,000</u>	<u>(438,744,591)</u>	<u>221,727,962</u>	<u>(110,016,629)</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


 Chief Executive Officer

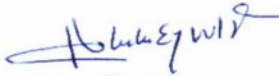

 Director

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	----- Nine months ended -----	
	31/March/2019	31/March/2018
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(22,194,023)	(25,991,793)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	21,960,892	24,378,988
Finance cost	1,308	23,613
	21,962,200	24,402,601
Loss before working capital changes	(231,823)	(1,589,192)
Working capital changes		
(Increase) / Decrease in current assets		
Stock in trade	-	3,236,446
Trade debts	-	(424,264)
Loans and advances	-	153,989
Balances due from government	-	1,824,145
(Decrease) in trade and other payables	55,143	(10,388,467)
	55,143	(5,598,151)
Cash (used in) / generated from operations	(176,680)	(7,187,343)
Income tax paid	-	(15,828)
Finance cost paid	(1,308)	(23,613)
Net cash (used in) / generated from operating activities	(177,988)	(7,226,784)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (net) of long term finances	87,476	6,035,873
(Repayment) / Proceeds (net) of short-term borrowings	-	85,088
Net cash in / (out) flow from financing activities	87,476	6,120,961
Net decrease in cash and cash equivalents	(90,512)	(1,105,823)
Cash and cash equivalents at beginning of period	683,824	1,873,803
Cash and cash equivalents at end of period	593,312	767,980

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

1 STATUS AND ACTIVITIES

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

Registered office of the Company is situated at 135, Upper Mall, Lahore. The project of the Company is located at 48 KM, Lahore Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, District Kasur.

The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations.

1.2 Going concern assumption

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company incurred a net loss for the period ended of Rs. 22,194,023 (March 2018: Rs. 26,035,663) resulting in accumulated losses at the end of the period of Rs. 438,744,591 (June 2018: Rs. 429,101,703). The Company's current liabilities exceed its current assets at reporting date by Rs. 208,824,238 (June 2018: Rs. 208,678,583).

The Company had ceased its operations since November 2013 due to working capital. However, subsequent to the balance sheet date, the management is taking steps to recommence operations and the Company is in negotiations with financial institutions / sponsors of the Company for borrowing of funds to manage working capital requirements. The Company managed its liquidity constraints largely thru financing from its sponsors. The Company's ability to continue as a going concern is dependent on continued financing from sponsors. Management's efforts for obtaining finances from financial institutions are not so far materilized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting' 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 IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2018.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statements, all the transactions have been accounted for on accrual basis.

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2018.

	(Un-audited) March 31, 2019.	(Audited) June 30, 2018.
	(Rupees)	
5 SHARE CAPITAL		
Authorized capital		
Ordinary shares of Rs. 10 each	<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up share capital		
10,000,000 (June 30, 2018: 10,000,000) ordinary shares of Rs 10/- each fully paid in cash	100,000,000	100,000,000
700,000 (June 30, 2018: 700,000) ordinary shares of Rs 10/- each fully paid as bonus shares	<u>7,000,000</u>	<u>7,000,000</u>
	<u>107,000,000</u>	<u>107,000,000</u>

6 LONG TERM FINANCES

From related parties (current and prior) - unsecured

Sponsors	- note 6.1	30,400,000	30,400,000
Previous associated undertakings	- note 6.2	32,329,798	32,329,798
Ex-directors		<u>164,039,689</u>	<u>163,952,213</u>
		<u>226,769,487</u>	<u>226,682,011</u>

6.1 Loan from sponsors

These represents unsecured loan from sponsors of the Company. The terms of repayment has not yet been decided so far. (also refer note 6.2)

6.2 Previous associated undertakings

This represents unsecured loans from various companies which were previously associated undertakings but had been allocated by the Honorable Lahore High Court, Lahore to other families of ex-Ittefaq group. This amount includes principal amount of Rs. 13.440 million (June 2018: Rs. 13.440 million) and mark-up accrued on said loans amounting to Rs. 18.890 million (June 2018: Rs. 18.890 million). Furthermore to same, the parties in dispute have entered into a settlement agreement dated 6 April 2014 which was accorded by Lahore High Court, Lahore in its order dated 16 April 2014. However, no steps had been taken by the parties to execute the settlement agreement till date.

6.3 These represents unsecured and interest free loans from chief executive officer, directors and sponsors. The terms of repayment has not yet been decided so far, however, the directors and sponsors have given undertaking that they have no intention to demand such loan within period of next twelve months, as such the current maturity has not been presented.

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

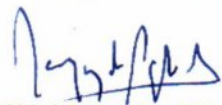
6.4 These are classified as 'financial liabilities' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these long term loans have no fixed maturity date as discussed above, are carried at cost as their amortized cost is impracticable to determine.

	(Un-audited) March 31, 2019.	(Audited) June 30, 2018.
(Rupees)		
7 UNCLAIMED DIVIDEND		
Sponsors' uncalled dividends - note 7.1	<u>24,058,182</u>	<u>24,058,182</u>
7.1 These represents uncalled dividends by sponsors of the Company. The above uncalled dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore.		
8 SHORT TERM BORROWINGS - SECURED		
Cash finances	60,680,179	60,680,179
FATR	<u>7,500,000</u>	<u>7,500,000</u>
	<u>68,180,179</u>	<u>68,180,179</u>
9 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	362,837,330	395,342,650
Less: Depreciation	<u>(21,960,892)</u>	<u>(32,505,320)</u>
Book value as at	<u>340,876,438</u>	<u>362,837,330</u>

10 **AUTHORIZATION FOR ISSUE**
 These financial statements have been approved by the board of directors of the Company and authorized for issue on _____.

11 **CORRESPONDING FIGURES**

- 11.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.
- 11.2 Figures have been rounded off to the nearest of rupees.


 Chief Executive Officer


 Director