



KHALID SIRAJ TEXTILE MILLS LIMITED

135-UPPER MALL, LAHORE

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

10 November 2020

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

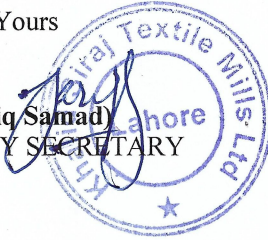
Subject: Corrigendum relating to Annual Audited Report 2020 – Khalid Siraj Textile Mills Limited

Dear Sir:

Please find enclosed Corrigendum relating to Annual Audited Report 2020 and Review Report on statement of Compliance 2020 – Khalid Siraj Textile Mills Limited. The said corrigendum has also been circulated to shareholders of the Company and also approved in AGM held on 26 October 2020.

Sincerely Yours

(Haji Tariq Samad)
COMPANY SECRETARY



Copy to:

- (1) Director /HOD
Securities and Exchange Commission of Pakistan
NIC Building, 63, Jinnah Avenue
Islamabad
- (2) The Registrar,
Company Registration Office,
Lahore.



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Corrigendum

This is in reference to the published financial statements of Khalid Siraj Textile Mills Limited for the year ended June 30, 2020 and the auditors' report thereon.

The following printing errors have been discovered subsequent to the publication and issue of the Annual Report 2020 which have been rectified and are communicated vide this corrigendum to the following effect:

(a) In the auditor's report dated October 02, 2020 in the 'Basis for adverse opinion' paragraph, the period mention in the third line of sub para "a)" was misprinted as 30 June 2019 instead of 30 June 2020.

Misprinted Period	Corrected Period
30 June 2019	30 June 2020

(b) Further in the serial number "a) to g)", the "a)" is repeated again in next page were misprinted which have been corrected "a) to h)" as follows:

Misprinting in 'Basis for adverse opinion' paragraph Serial No.	Correction in 'Basis for adverse opinion' paragraph Serial No.
i) a)	i) a)
ii) a)	ii) b)
iii) b)	iii) c)
iv) c)	iv) d)
v) d)	v) e)
vi) e)	vi) f)
vii) f)	vii) g)
viii) g)	viii) h)

(c) Further in the 'Basis for adverse opinion' paragraph the serial number "f)" in first line were misprinted which have been corrected as follows:

Misprinted Amount	Corrected Amount
226.682	226.769

(d) And in the last line of auditor's report, the Name of engagement Partner was misprinted as Mr. Kamil Fatah instead of Mr. Kamran Fatah as follows:

Misprinted	Corrected
Mr. Kamil Fatah	Mr. Kamran Fatah

(e) Further in Auditor's Review Report on the Statement of Compliance was misprinted mistakenly by the printer in old format instead of new format as provided is rectified as follows:



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Misprinted as:

“Review Report on the Statement of Compliance

Contained in listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **KHALID SIRAJ TEXTILE MILLS LIMITED** (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, because of the matters stated in para (a) below, the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

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

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended 30 June 2020.

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

LAHORE
02nd OCTOBER 2020



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Corrected as:

**“REVIEW REPORT ON THE STATEMENT OF COMPLIANCE
CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS2019**

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 **Khalid Siraj Textile Mills Limited** (the Company) for the year ended 30 June 2020 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, because of the matters stated in para (a) to (g) below, the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

- a) The Company does not have the required number of independent directors on its Board of Director;
- b) Board of Directors has not established a system of sound internal control;
- c) No orientation courses were carried out during the year for the directors of the Company;
- d) Board of Directors has not formed the Nominations Committee and Risk Management Committee;
- e) The Chairperson of the Audit Committee is not an independent director and includes one executive director as a member of the Committee;
- f) Chairperson of the HR and Remuneration Committee is not an independent director;
- g) The Board of Directors has not established an effective internal audit function;

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended 30 June 2020.

**KAMRAN & CO.
CHARTERED ACCOUNTANTS**

**LAHORE
02 OCTOBER2020”**

Inconvenience caused in this regard is highly regretted.

Sincerely yours,

(Haji Tariq Samad)
Company Secretary

