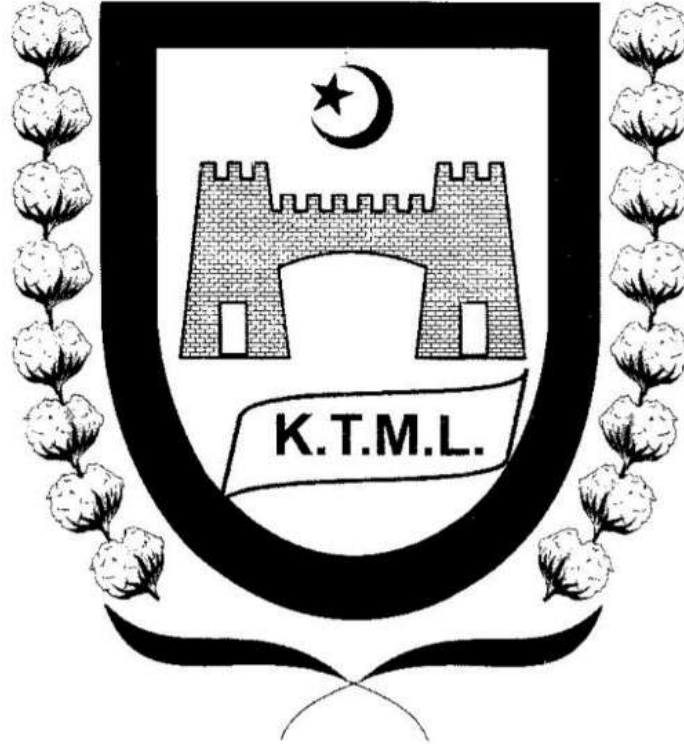


HALF YEARLY ACCOUNTS
(Reviewed)



KHYBER TEXTILE MILLS LIMITED

AS ON 31st DECEMBER 2020

Baldher, District Haripur, Khyber Pakhunkhawa

COMPANY INFORMATION

CHAIRMAN	Mr. Aurangzeb Khan
CHIEF EXECUTIVE	Mr. Adam Jadoon
DIRECTORS	Mr. Adam Jadoon Mr. Amanullah Khan Mr. Omar Farid Jadoon Mr. Muhammad Bahauddin Mrs. Aamna Jadoon Mr. Aurangzeb Khan Mr. Hassan Ovais
AUDIT COMMITTEE	
CHAIRMAN	Mr. Hassan Ovais
MEMBER	Mr. Muhammad Bahuddin
MEMBER	Mrs. Aamna Jadoon
SECRETARY	Mr. Sadaqat Khan
C.F.O	Mr. Taj Muhammad
AUDITORS	Clarkson Hyde Saud Ansari, Chartered Accountant
SHARE REGISTRAR	F.D. Registrar Services (SMC-Pvt) Ltd
REGISTERED OFFICE & HEAD OFFICE	Khyber Textile Mills Ltd. Baldher, District Haripur, Khyber Pakhtunkhawa
MILLS	Baldher, District Haripur, Khyber Pakhunkhawa

Website: www.khybertextile.com

Email: info@khybertextile.com

Directors Report

The Management of your Company is placing before you the Half Yearly Reviewed Accounts for the period ending 31st December 2020. The Board of Directors (BOD) reviewed the successful operations of the agricultural business activities, the restrictions on access to credit due to the ongoing banking litigation, the closure of textile production and finally the negative effect of the COVID-19 pandemic on the Company's current operations.

As per decisions made during previous AGMs and per the BODs instructions and approval, Management has repurposed the majority of its unutilized land, separate from the textile unit, for agricultural activity. This includes a livestock farm for the rearing and sale of livestock by the Company. Further, crops grown on the agricultural land were consumed by the livestock thereby reducing input costs. Finally, Management continued to lease some of its excess empty buildings for warehousing and rental purposes and has used this financial stream to reinvest in the Company's business activities. Through these endeavors we are pleased to report that the Company has increased sales and generated revenue during the period under review.

It was noted that the impact of the COVID-19 pandemic has caused inflation and a contraction in the economy resulting in an overall reduction in business activity. This has affected our agricultural activities and caused a reduction in our rental business adversely affecting our revenue.

It was also explained that the main obstacle in restarting textile production has been the complete restriction on access to credit facilities due to the false defaulter status placed on the Company and litigation pending in the High Courts by the Banks to recover fictitious liabilities. It was noted by the BOD that the Banks were delaying the finalization of litigation to extend their financial squeeze to pressurize the Company to give into their unjust demands. Nonetheless, efforts are being made to defend the Company's interests before the Courts in order to end this unwarranted litigation and regain access to credit.

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

For and on Behalf of Board of Director



Chief Executive



Director

Baldher, Haripur

Dated: - 25th February, 2021

ڈائریکٹرز رپورٹ

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

جیسا کہ پچھلی سالانہ میٹنگز اور بورڈز میٹنگز میں یہ اجازت لی گئی تھی کہ کوئی اور کاروبار کر کے روزمرہ کے امور چلائے جائیں۔ اس سلسلے میں اپنی خالی زمین کے بیشتر حصے کو زراعت کے لیے تیار کیا گیا۔ اور زراعت سے حاصل ہونے والی پیداوار کو لائیو سٹاک کے کاروبار میں استعمال کیا گیا۔ جس سے اخراجات میں کافی حد تک کمی ہوئی۔ اس پیریڈ میں لائیو سٹاک سیلز بہتر رہی۔ اس کے ساتھ مینیجمنٹ نے اپنی خالی عمارات گودام کے طور پر کرائے پر دی ہوئی ہیں۔ جس سے حاصل ہونے والی آمدن کو اپنے کاروباری اور لائیو سٹاک اخراجات میں استعمال کیا جا رہا ہے۔ ملک میں وبائی مرض کرونا وائرس (Covid-19) کی وجہ سے کاروباری سرگرمیاں رک گئی تھی اور ساتھ مہنگائی کی وجہ سے ہمارے لائیو سٹاک، زرعی کاروبار اور ریٹیل انکم پر بھی منفی اثرات پڑے تھے۔

اس بات پر بھی بحث کی گئی تھی کہ کمپنی کی ٹیکسٹائل پیداوار کی بندش کی راہ میں سب سے بڑی رکاوٹ سرمایہ کا نہ ہونا ہے۔ عدالت میں کیس کی وجہ سے بینکوں سے قرض لینے پر بھی پابندی ہے۔ بورڈ کو یہ بھی بتایا گیا ہے کہ عدالتی کیس میں بینک جان بوجھ کر التواع ڈال رہے ہیں۔ ہمارے وکلاء بھرپور کوشش کر رہے ہیں کہ ان کے کیسز کا فیصلہ ہو جائے۔ تمام تر مشکلات کے باوجود کمپنی روزمرہ کے اخراجات، عدالتی اخراجات، تنخواہیں اور دیگر اخراجات کے ساتھ ساتھ کمپنی کے کاروبار میں بھی سرمایہ کاری کر رہے ہیں۔



(ڈائریکٹر)



چیف ایگزیکٹو آفیسر
مورخہ: 25-02-2021

AUDITOR'S REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Khyber Textile Mills Limited** (the Company) as at December 31, 2020, the related condensed interim statement of profit or loss and statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months' period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our opinion, we draw attention to note no. 3 in the financial statements, which indicates that the textile operations of the Company are closed since 2007 and the Company's current liabilities exceeded its current assets by Rs. 37.39 million. These events or conditions, along with other matters as set forth in the note no. 3 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's review report is Saud Ansari.



Clarkson Hyde Saud Ansari
CHARTERED ACCOUNTANTS

Karachi:

DATED: 25th February 2021

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	Dec, 2020 (Unaudited)	June, 2020 (Audited)		Dec, 2020 (Unaudited)	June, 2020 (Audited)
Notes	(Rupees)		Notes	(Rupees)	
CAPITAL AND LIABILITIES			PROPERTY & ASSETS		
SHARE CAPITAL & RESERVE			NON CURRENT ASSETS		
SHARE CAPITAL			Property Plant & Equipment at written down value 6		
Authorised: 1,500,000 Ordinary Share of Rs. 10/- each	15,000,000	15,000,000	Long Term Deposits	980,023,470	986,074,178
Issued: 1,298,543 Ordinary Share of Rs. 10/- each.	12,985,430	12,985,430		88,983	88,983
				980,112,453	986,163,161
Subscribed & Paid up	12,275,030	12,275,030	CURRENT ASSETS		
RESERVE			Livestock	413,640	7,200,000
Capital- Statutory Reserve U/s 15-BB	257,782	257,782	Animal food - bhosa & daana	559,970	105,410
Unappropriated (Profit)/(Loss)	766,914	(1,150,047)	Stores & spares 7	-	-
Surplus on revaluation of fixed assets	888,109,952	893,475,826	Taxes Refundable	615,000	1,476,626
Shareholders' Equity	901,409,677	904,858,591	Cash & Bank Balances 8	6,153,073	206,590
				7,741,683	8,988,626
NON CURRENT LIABILITIES					
Deferred Tax Liability	41,313,272	42,869,376			
CURRENT LIABILITIES					
Loan from Directors	26,905,475	27,460,475			
Trade And Other Payables 4	18,225,712	18,447,782			
Provision for taxation	-	1,515,563			
	45,131,187	47,423,820			
CONTINGENCIES & COMMITMENTS					
	-	-			
	987,854,136	995,151,787		987,854,136	995,151,787

The annexed notes from 1 to 11 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
For The Half Year Ended December 31, 2020
(UNAUDITED)

<i>Six months ended Dec 31</i>		<i>Three months ended Dec 31</i>	
2020	2019	2020	2019
<i>(Rupees)</i>		<i>(Rupees)</i>	

Sales (Net)	8,601,700	7,776,100	-	-
Cost of Sales	7,552,161	6,917,169	99,078	-
Gross profit	1,049,539	858,931	(99,078)	-
Operating Expenses:				
Administrative	8,833,208	9,349,966	7,350,908	8,056,628
Operating Loss	(7,783,669)	(8,491,035)	(7,449,986)	(8,056,628)
Other Income - rent	2,730,505	3,669,145	1,151,175	1,565,650
Finance cost	2,354	3,792	1,278	387
Loss before tax	(5,055,518)	(4,825,682)	(6,300,089)	(6,491,365)
Provision for Taxation-Deferred	(1,556,104)	(3,231,345)	(1,556,104)	(3,231,345)
Loss after tax	(3,499,414)	(1,594,337)	(4,743,985)	(3,260,020)

The annexed notes from 1 to 11 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Half Year Ended December 31, 2020
(UNAUDITED)

<i>Six months ended Dec 31</i>		<i>Three months ended Dec 31</i>	
2020	2019	2020	2019
(Rupees)		(Rupees)	

Net loss after taxation	(3,499,414)	(1,594,337)	(4,743,985)	(3,260,020)
Other Comprehensive Income				
Income from agriculture	50,500	65,000	29,500	41,000
Total Comprehensive Loss for the Period	<u>(3,448,914)</u>	<u>(1,529,337)</u>	<u>(4,714,485)</u>	<u>(3,219,020)</u>
Loss per share	(2.81)	(1.24)	(3.84)	(2.62)

The annexed notes from 1 to 11 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For The Half Year Ended December 31, 2020
(UNAUDITED)

	<i>Share Capital</i>	<i>Capital Reserves</i>	<i>Unappropriated (Loss) & Profit</i>	<i>Revaluation surplus on fixed assets</i>	<i>Total</i>
	(Rupees)				
Balance as on June 30, 2019	12,275,030	257,782	(10,917,218)	905,163,104	906,778,698
Loss for the period	-	-	(1,594,337)	-	(1,594,337)
Other Comprehensive income for the period	-	-	65,000	-	65,000
Total comprehensive loss	-	-	(1,529,337)	-	(1,529,337)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation, net of deferred tax.	-	-	5,843,638	(5,843,638)	-
Balance as on Dec 31, 2019	12,275,030	257,782	(6,602,917)	899,319,466	905,249,361
Balance as on June 30, 2020	12,275,030	257,782	(1,150,047)	893,475,826	904,858,591
Loss for the period	-	-	(3,499,414)	-	(3,499,414)
Other Comprehensive income for the period	-	-	50,500	-	50,500
Total comprehensive loss	-	-	(3,448,914)	-	(3,448,914)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation, net of deferred tax.	-	-	5,365,875	(5,365,875)	-
Balance as on Dec 31, 2020	12,275,030	257,782	766,914	888,109,952	901,409,677

The annexed notes from 1 to 11 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director

KHYBER TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
For The Half Year Ended December 31, 2020
(UNAUDITED)

	Dec, 2020	Dec, 2019
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss after tax	(3,448,914)	(1,529,337)
Adjustment of Non Fund Items:		
Provision for Taxation-Deferred	(1,556,104)	(3,231,345)
Depreciation	6,050,708	6,601,496
	<u>4,494,604</u>	<u>3,370,151</u>
	1,045,690	1,840,814
(Increase)/Decrease in Current Assets		
Livestock	6,786,360	6,500,000
Animal food - bhosa & daana	(454,560)	(715,496)
	<u>6,331,800</u>	<u>5,784,504</u>
Increase/(Decrease) in Current Liabilities		
Trade & Other Payables	(222,070)	(185,060)
	<u>(222,070)</u>	<u>(185,060)</u>
	6,109,730	5,599,444
Cash generated from operations	7,155,420	7,440,258
Taxes paid	(653,937)	(772,328)
	<u>6,501,483</u>	<u>6,667,930</u>
CASH OUT FLOW DUE TO FINANCING ACTIVITIES		
Long Term Loan	(555,000)	(290,000)
Net Increase/(Decrease) in Cash	<u>5,946,483</u>	<u>6,377,930</u>
Cash and Cash Equivalents at the beginning of the period	206,590	44,094
Cash and Cash Equivalents as at 31st December	<u>6,153,073</u>	<u>6,422,024</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

KHYBER TEXTILE MILLS LIMITED
NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For The Half Year Ended December 31, 2020
(UNAUDITED)

1 STATUS AND NATURE OF BUSINESS

Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August, 1961 under the Companies Act, 1913 (Now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The activities of the Company were manufacture and sale of cotton/polyester yarn and cloth. However, due to external factors production was halted. Consequently, the Company has been operating an agricultural livestock business on its vacant land since 2017, as a revised principal business of the Company i.e. that is agricultural, that was approved by the Registrar of Companies. It is also carrying out alternative business activities of renting empty buildings for warehousing and rental purposes since 2016.

The Members of Company resolved through a resolution the alteration of the name of the Company to reflect the new business taking place on the premises to "Khyber Textile Mills and Agricultural Business Limited" which is pending due to delays caused by the closure of the regulator offices during the COVID 19 pandemic.

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

- The registered office of the company is situated at Baldher, District Haripur, Khyber Pakhtunkhawa.
- The production facility and agriculture farms are also situated at Baldher, District Haripur, Khyber Pakhtunkhawa.

2 BASIS FOR PREPARATION OF ACCOUNTS

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

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

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

This condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

2.2 Comparative financial position numbers are extracted from the annual financial statement of the Company from the year ended June 30, 2020, whereas comparative statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited Condensed interim financial statements of the Company for the six months period ended December 31, 2019.

2.3 The company's financial risk objectives and policies are consistent with those disclosed in the preceding annual financial statements for the year ended June 30, 2020.

2.4 The accounting policies and methods of computation adopted in the preparation of annual financial statements for the preceding year ended June 30, 2019 have been consistently applied in the preparation of these interim financial statements.

KHYBER TEXTILE MILLS LIMITED
NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For The Half Year Ended December 31, 2020
(UNAUDITED)

3 GOING CONCERN

Despite of the uncertainties given here under, that may cast significant doubt about the Company's ability to continue as a going concern, these financial statements have been prepared on going concern basis:

- the textile operations of the Company are closed since July 1, 2007 and production has been unable to restart due to banking litigation and subsequent restrictions on access to credit.
- the current liabilities of the Company exceed its current assets by Rs. 37.39 million and the financial ratios are adverse.

The reasons for preparing the interim financial information on going concern basis are:

- The Management of the company does not have any intention to liquidate KTML and endorse their assertion to revive the Company's business activity, hence the Management's decision to prepare the financial statements on a going concern assumption.
- The Company has initiated steps to secure other sources of revenue within its limited resources as a substitute measure in order to maintain the Company, its assets and reinstate business activity on the Mill's premises. The Management has been successful in renting some of its excess buildings as a storage facility for distributors. With this stream of funding KTML has embarked upon the repair and maintenance of its empty warehouses, buildings and land in order to generate additional income. Furthermore, KTML has made an investment in a Company Livestock Farm for the rearing and sale of cattle on its excess land and has been successful in increasing livestock sales in FY 2020 & 2021. The Management has also repurposed the majority of its empty land for agricultural activity, i.e. the growing of fodder in support of the livestock farm and the planting/continued care of olive saplings; therefore Management is striving to utilize all excess areas separate from the textile unit, for alternative business activities.
- The Members of KTML have approved the alteration of the name of the Company to reflect the alternative business-taking place on the Company's premises to "Khyber Textile Mills and Agricultural Business Limited". Applications were moved for effecting the requisite changes; amendments in the Memorandum of Association and Articles of Association have been approved while the change of name request to the prior AGM approved "Khyber Textile Mills and Agricultural Business Limited", is currently pending.

KHYBER TEXTILE MILLS LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For The Half Year Ended December 31, 2020 (UNAUDITED)

December 31, 2020	June 30, 2020
<i>(Rupees)</i>	

4 TRADE AND OTHER PAYABLES

Trade Creditors	18,122,154	18,122,154
Advance against rent	-	81,070
Accrued Liabilities	75,000	216,000
Other Liabilities	28,558	28,558
	18,225,712	18,447,782

5 CONTINGENCIES & COMMITMENTS

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

6 PROPERTY PLANT & EQUIPMENT

Cost - Opening Balance	1,274,600,879	1,274,600,879
Revaluation during the period	-	-
Addition/ deletion during the period	-	-
	1,274,600,879	1,274,600,879
Accumulated Depreciation - Opening Balance	288,526,701	275,323,708
Adjustment on disposal	-	-
Depreciation for the period	6,050,708	13,202,993
	294,577,409	288,526,701
Written down value	980,023,470	986,074,178

7 STORES & SPARES

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

8 CASH & BANK BALANCES

Cash in hand	487,707	115,994
Cash at bank - Current Account	5,665,366	90,596
	6,153,073	206,590

KHYBER TEXTILE MILLS LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For The Half Year Ended December 31, 2020 (UNAUDITED)

<i>December 31, 2020</i>	<i>June 30, 2020</i>
<i>(Rupees)</i>	

9 TRANSACTIONS WITH RELATED PARTIES

i) Purchase of goods and services	-	-
ii) Sales of goods and services	-	-
iii) Brokerage, discount and commission	-	-
iv) Loans and advances		
a) loan received / (returned)		
<i>Mr. Adam Jadoon</i>	(555,000)	(890,000)
v) Any other transaction	-	-

10 DATE OF AUTHORIZATION

These interim financial statements were authorized for issue on 25th Feb 2021.
by the Board of Directors of the Company.

11 GENERAL

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



Chief Executive



Chief Financial Officer



Director