Ittefaq

KHALID SIRAJ TEXTILE MILLS LIMITED

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Ref: 2022/02/003

February 16, 2022

Mr. Hafiz Maqsood Munshi
Senior Manager,
Listed Companies Compliance Department-RAD,
Pakistan Stock Exchange Limited,
Stock Exchange Road,
Karachi.

Subject: **Progress Report under Non-Compliance of Section 5.11.1. (b),(e),(i) &(1) of PSX Regulations**

cc: Lest Fatima

Dear Sir,

In compliance of the captioned PSX regulation and in response to PSX letter no. PSX/C-682-308 dated February 15, 2022. We submit the progress report of the company hereunder:

With reference to our previous Progress report dated: Jan 07, 2022 to your office, it was mentioned that the core agenda/commencement/resumption of commercial production was resolved by letting out on lease to M/s ASM Industries (Private) Limited, recommended by the Board of Directors, approved by the Company's members in Extraordinary General Meeting held on April 30, 2021.

We are submitting the progress report of the company hereunder:

1. After leasing out the unit, **Rs. 16.50 Million** has been spent on renovation and updating of plant and machinery that restored Unit operations smoothly. This will reflect in upcoming financial of quarter ended on Dec 31, 2021. Whole unit have become operational now, that will help further sound financial position of company in coming periods. (Electricity Bill of current month is attached for reference).

2. We are in position to payout market debts and outstanding dues of corporate departments (SECP, PSX). Further as we requested earlier to the Exchange not to levy surcharge on outstanding dues, considering financial position of the company in past.

3. Adverse opinion in Auditor's report is just because of financial institutions outstanding balances, which are not settled due to litigation matter of Company with SECP. Once the SECP release the Company from this matter, it will be in sound position to reschedule the financial matters and restore financial lines for day to day cotton buying.

4. We expect your usual support and corporation to bring the Company back to normal trading counter. The company's efforts to restore its activities as going concern are based on the removal of tag of Default Segment and restoring the suspension of trading in shares of the company.

We hereby kindly request, that the name of the Company be removed from the defaulter counter along with unfreezing suspension of trading in the shares of the Company.

Thanking You

Khalid Siraj Textile Mills Ltd.
Company Secretary

(Haji Tariq Samad)
Company Secretary

17/2/22