38th
Annual Report
2025

Khalid Siraj
Textile Mills Limited

Contents

COMPANY INFORMATION

Chairman Chief Executive Officer	-	Mian Iqbal Barkat
Directors	-	Mian Hassan Barkat
	-	Abida Iqbal
	-	Rafia Hassan
	-	Muhammad Musaddaq
	-	Abdul Razzaq Khan
	-	Muhammad Umair Younas Lone
Audit Committee		
- Chairman	-	Mian Hassan Barkat
- Member	-	Mian Iqbal Barkat
- Member	-	Abida Iqbal
HR Committee		
- Chairman	-	Muhammad Musaddaq
- Member	-	Muhammad Umair Younas Lone
- Member	-	Rafia Hassan
Risk Management Committee		
- Chairman	-	Mian Iqbal Barkat
- Member	-	Muhammad Musaddaq
- Member	-	Abdul Razzaq Khan
Company Secretary	-	Haji Tariq Samad
Auditors	-	M/s. Sheikh & Chaudhri Corporate Avenue, 32-A, Jail Road, Lahore. Ph: 042-35463623-5
Bankers	-	National Bank of Pakistan Habib Bank Limited Al Baraka Bank Pakistan Habib Metropolitan Bank Limited Meezan Bank Limited
Chief Financial Officer	-	Mr. Nabeel Ahmed
Legal Advisor	-	Mr. Majid Ali Rana (Advocate)
Share Registrar	-	M/s. Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Ph: 042-35916714, Fax: 042-35869037
Registered Office	-	135-Upper Mall, Lahore.
Website Address	-	www.kstml.com.pk
Mills	-	48-K.M, Lahore-Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, Distt. Kasur.

Vision Statement

To accomplish, build up and sustain a good reputation of the project in textile sector locally and globally by manufacturing and marketing high quality of yarn through team work by means of honesty, integrity and commitment.

Mission Statement

To provide maximum satisfaction to customers by Supplying fine quality yarn for knitting and Weaving for well Known textile Brands through effective utilization of men, Material and machines by encouraging, supporting and rewarding the employees and sharing profits with our shareholders. We do have social responsibility towards our community in which we operate and we are committed to safety, health and environment in all our operations.

Chairman's Review Report

Dear Members

The Board of Directors is performing its duties in accordance with law and in the best interest of company and its shareholders. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Khalid Siraj Textile Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

Despite unprecedented challenges faced by the economy, the Board overall performance and effectiveness has been assessed satisfactory for the financial year ended June 30, 2025 as the Company is able to generate some revenue. The performance is based on evaluation of integral components including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management and efficiency in carrying out the Board business. I would like to extend my acknowledgement and gratefulness towards the Board for its positive contribution and continuous commitments.

The Board has exercised all its power in accordance with relevant laws and regulations and all Board members are equally involved in important decision of the Company. Hope that their performance during coming years will improve further.

For and on behalf of the Board

Mian Iqbal Barkat
Chief Executive Officer

Mian Hassan Barkat
Director

Lahore: October 03, 2025

Directors' Report

On behalf of the Board of Directors the undersigned takes pleasure to present before you the 38th (thirty eighth) Annual Report for the financial year ended June 30, 2025 along with Auditors' Report thereon.

Operating Financial Results

During the financial year under review, the company has posted net loss after taxation of Rs. (19.323) million and net losst Rs.13.725 million of the corresponding last year.

The composition of net profit is as under:-

APPROPRIATIONS:	2025	2024
	-------- Rupees	--------
Other operating income	-	20,137,171
Profit / (Loss) before taxation	**(24,587,530)**	(6,950,954)
Taxation	**5,264,792**	(6,773,802)
Profit / (Loss) after taxation	**(19,322,738)**	(13,724,756)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	**(19,322,738)**	(13,724,756)
(Loss)/Earnings per share (basic and diluted)	**(1.81)**	(1.28)

Charts of Significant Ratios and comparison with previous years

(All amounts in thousand)

	2025	2024	2023	2022	2021
Turnover (Net)	-	-	-	-	3,302
Profit/Loss before taxation	(24,588)	(6,951)	635	1,871	3,920
Profit/Loss after taxation	(19,323)	(13,725)	329	409	15,663
Paid up capital	107,000	107,000	107,000	107,000	107,000
Owner's equity (ordinary shareholders)	(77,244)	(57,922)	(44,197)	(44,526)	(44,935)
Breakup value of share of Rs. 10 each	(7.22)	(5.41)	(4.13)	(4.16)	(4.20)
Earnings/(Loss) per share-basic	(1.81)	(1.28)	0.03	0.04	1.46
Total assets	303,065	324,307	348,380	375,130	408,632

Future Outlook:

There have been uncertainties during the financial year, mainly due to abrupt devaluation which resulted in an increase in inflation. Electricity rates have been inflated to levels that the market is not absorbing. Regionally competitive rates are to re-instated for spinning sector to work efficiently. After the receipt of financial assistance from friendly countries, foreign direct investment and the approval of bailout package by the IMF, it is expected that the economy now finds its way to towards gaining momentum. To counter this challenging economic situation; the Pakistani textile sector shall have to be a cost effective niche marketing, product and customer development are the essential tools to remain competitive domestically and internationally. The management is confident that the company shall be able to improve its operational performance and going forward.

The management of the company is determined and optimist to turn the unit as viable, operational and profitable in future. We hope that the Change in Government Policies and facilitation to textile sector will bring fruitful results for the Company.

CORPORATE GOVERNANCE

The Board of Directors of Khalid Siraj Textile Mills Limited and its management are fully conversant with its responsibilities as formulated in Code of Corporate Governance as incorporated in the listing regulations of stock exchanges issued by the SECP.

In compliance with the Code of Corporate Governance, the Directors are pleased to state that:

1. The financial statements, prepared by the management of the company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity;
2. The company has maintained proper books of Account;
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There are no significant doubts upon the company's ability to continue as a going concern, however, uncertain circumstances are discussed in note 3 of notes to the accounts. The company has sound potentials to continue as going concern;
7. There are no statutory payments due on account of taxes, duties, levies and charges which are outstanding except for those disclosed in attached financial statements;
8. Board of Directors, CEO, CFO, Company Secretary, Executives and their spouse and minor children have made no transaction of company's shares during the year except that mentioned in "Pattern of shareholding".
9. Key operating ratios and financial results of the company for the last five years are annexed.
10. During the year under review, six (6) meeting of Board of Directors were held and the attendance of Directors were as under:-

1. Mr. Mian Iqbal Barkat	06 Nos.
2. Mr. Mian Hassan Barkat	06 Nos.
3. Mrs. Abida Iqbal	05 Nos.
4. Mrs. Rafia Hassan	05 Nos.
5. Mr. Muhammad Musaddaq	05 Nos.
6. Mr. Abdul Razzaq Khan	01 Nos.
7. Mr. Muhammad Umair Younas Lone	01 Nos.

Leave of absence was granted by the board to the non-attending directors.

Audit Committee

Board of Directors of your Company has established Audit Committee of the Board in compliance with the requirements the Listed Companies (Code of Corporate Governance), Regulations, 2019. Term of reference of the Committee was duly communicated to the members by the Board.

Six (6) meeting of audit committee were held during the year. Attendance by each member was as follows:-

Mian Hassan Barkat	Chairman	06 Nos.
Mian Iqbal Barkat	Member	06 Nos.
Abida Iqbal	Member	06 Nos.

HR Committee Meetings

Six (6) meetings of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Muhammad Musaddaq	Chairman	06 Nos.
Muhammad Umair Younas Lone	Member	01 Nos.
Rafia Hassan	Member	06 Nos.

Quality Control

To ensure implementation of the Management System, Internal Quality Audits, Surveillance Audits and Management Review Meetings are conducted regularly.

Communication

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Act 2017. Every opportunity is given to the individual shareholders to attend and freely ask questions about the company operations at the Annual General Meeting.

Contingencies and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report.

Dividend

Due to the circumstances already discussed the Board of Directors does not recommend any dividend for the year ended 30 June 2025.

Auditors

On the suggestion of Audit Committee, the Board of Directors of the Company has recommended the re-appointment of M/s Sheikh & Chaudhri, Chartered Accountants, as the auditors of the Company for the year ending June 30, 2025.

Pattern of Shareholding and Information Under Clause XVI (J) Of The Code Of Corporate Governance

The information under this head as on June 30, 2025 is annexed.

Corporate Social Responsibility

The company is fully aware of corporate social responsibilities and is supporting social sector organizations in the fields of educations, health and environment. The company gives donations as a financial assistance to charitable organizations as well as also offers internships all around the year to student form colleges and universities.

Acknowledgement

The Board is pleased and appreciates continued support of its bankers, dedication and hard work of all the employees of the company.

For and on behalf of the Board

Iqbal Barkat.

Mian Iqbal Barkat
Chief Executive Officer

Mian Hassan Barkat
Director

Lahore: October 03, 2025

Notice of Annual General Meeting

Notice is hereby given that the 38th Annual General Meeting of the shareholders of Khalid Siraj Textile Mills Limited (the "Company") will be held on Tuesday, October 28, 2025 at 10:00 a.m. at the registered office of the Company, 135-Upper Mall, Lahore, to transact the following business:

Ordinary Business:

1 To confirm the minutes of Extraordinary General Meeting held on April 14, 2025.

To receive, consider and adopt the audited financial statements of the Company together with the Chairman's Report, Directors' and Auditors' Reports thereon for the year ended June 30, 2025.

In accordance with the Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023 issued by (The SECP), Financial Statements of the Company can be accessed through the following web link: https://kstml.com.pk/annual-reports.

2 **Auditors:**

To appoint statutory auditors of the Company and fix their remuneration for the year ending June 30, 2026. The retiring Auditors, M/S. Sheikh & Chaudhri, Chartered Accountants, are being eligible, have offered themselves for re-appointment and the Board of Directors recommended their appointment.

3 **Any Other Business:**

To consider any other business of the Company with the permission of the Chair.

By order of the Board
Haji Tariq Samad
Company Secretary

Lahore: 07-10-2025

Notes:

1 Closure of The Transfer Books: The share transfer books of the Company will remain closed from October 21, 2025 to October 28, 2025 (both days inclusive). Transfers received at the Company's Share Registrar, M/s. Corplink (Pvt.) Limited, Wing Arcade 1-K Commercial Model Town, Lahore, at the close of business on October 20, 2025 will be treated in time for the purpose to attend and vote at the AGM.

2 **Participation in AGM:** An Individual beneficial owner of share must bring his/her original CNIC or Passport, Account and Participant's I.D numbers to prove his/her identity. A representative of corporate members must bring the Board of Director's Resolution and/or Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the time of holding the meeting. A proxy must be a member.

3 **Participation in AGM Through Video Link:** Members who wish to participate in the AGM through veideo link facility are requested to share below in formation at kstmlspinning@outlook.com at least 07 workinng days prior to date the meeting.

Name of Shareholder	CNIC number	Folio/CDC/Account No.	Registered email	Cell Number

Shareholders, who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be open from 10:00 am at the date of AGM till the end of the meeting.

4 **Electronic Voting:**

a) In accordance with Companies Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations;

b) Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers/e-mail address available in the register of members of the company by the end of business on October 24, 2025 by M/s Corplink (Pvt) Ltd being the E-voting service provider. E-voting shall be authenticated through electronic signature or authentication for login.

c) Members shall cast vote online form October 24, 2025 to October 28, 2025 at 05:00 p.m. and voting shall close on October 27, 2025 at 05:00 p.m. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently.

5 **Procedure for Voting Through Postal Ballot:** Members may alternatively opt for voting post ballot. For convenience of the members, Ballot Paper is available on the Company's website www.kstml.com.pk to download. The members must ensure that duly filled and signed ballot paper along with a copy of CNIC should reach the company secretary through post at 135-Upper Mall, Lahore or email at kstmlspinning@outlook.com one day before the AGM, i.e. October 27, 2025 before 5:00p.m.

6 **Transmission of Annual Financial Statements through Email:** The Audited Financial Statements of the Company for the year ended June 30, 2024 have been made available on the Company's website (https://www.kstml.com.pk). Further, those members who require a hard copy of the Company's Annual Report are requested to provide us their latest address to enable us send these by courier / post.

Pattern of Shareholding

The Companies Act, 2017 (Section 227(2) (f)) **FORM 34**

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company **KHALID SIRAJ TEXTILE MILLS LIMITED**

2.1 Pattern of holding of the shares held by the shareholders as at **30-06-2025**

2.2	No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
	497	1	100	21348
	297	101	500	94688
	242	501	1000	162393
	218	1001	5000	466437
	43	5001	10000	302488
	13	10001	15000	161822
	4	15001	20000	71469
	4	20001	25000	95000
	4	25001	30000	112107
	2	30001	35000	67500
	6	35001	40000	224400
	1	40001	45000	45000
	3	50001	55000	161500
	1	55001	60000	56129
	2	60001	65000	126413
	2	70001	75000	149400
	1	85001	90000	86567
	1	100001	105000	102800
	3	105001	110000	324712
	10	110001	115000	1128987
	1	140001	145000	140654
	2	145001	150000	298530
	1	150001	155000	152100
	1	155001	160000	159160
	1	160001	165000	162500
	1	170001	175000	173007
	1	175001	180000	176900
	1	180001	185000	185000

1	190001	195000	191230
1	240001	245000	240750
1	295001	300000	299600
1	305001	310000	306062
1	365001	370000	369973
2	370001	375000	746677
1	380001	385000	382232
1	395001	400000	399431
1	420001	425000	420304
1	550001	555000	553840
1	680001	685000	682998
1	695001	700000	697892
1376			10700000

2.3 Categories of shareholders	**Share Held**	**Percentage**
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	1,105,741	10.33%
2.3.2 Associated Companies, undertakings and related parties (Parent Company)	0	0.00%
2.3.3 NIT and ICP	690,898	6.46%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	4,899	0.05%
2.3.5 Insurance Companies	420,304	3.93%
2.3.6 Modarabas and Mutual Funds	11,235	0.11%
2.3.7 Share holders holding 10% or more	0	0.00%
2.3.8 General Public		
a. Local	8,377,146	78.29%
b. Foreign	0	0.00%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	13,936	0.13%
2- Pension Funds	64,042	0.60%
3- Others Companies	2,492	0.02%

Categories of Shareholding

Required under Code of Corporate Governance (CCG) as on June 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MIAN IQBAL BARKAT	546,682	5.11%
2	MIAN HASSAN BARKAT (CDC)	203,230	1.90%
3	MRS. RAFIA HASSAN	111,600	1.04%
4	MRS. ABIDA IQBAL	102,800	0.96%
Executives:		697,892	6.52%
Public Sector Companies & Corporations:		-	0.00%
Banks, Development Finance Institutions, Non-Banking Finance		500,480	4.68%
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	MIAN HUSSAIN BARKAT	697,892	6.52%
2	CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	682,998	6.38%
3	MIAN FAROOQ BARKAT	616,211	5.76%
4	MIAN IQBAL BARKAT	546,682	5.11%

All trades in the shares of the listed company, carried out by its Directors, Executives and their

spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
	NIL	NIL	NIL

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019

Name of the Company	:	Khalid Siraj Textile Mills Limited (the **"Company"**)
For the Year ended	:	30-Jun-25

The company has complied with the requirement of the Regulations in the following manner:

1 The total number of directors are seven (7) as per the following:
a) Male: Five (5) **b) Female:** Two (2)

2 The composition of board is as follows:

Category	Name
Independent Directors	· None
Executive Directors	· Mian Iqbal Barkat
Non-Executive Directors	· Mian Hassan Barkat · Mrs. Abida Iqbal · Mrs. Rafia Hassan · Mr. Muhammad Musaddaq · Mr. Abdul Razzaq Khan · Mr. Muhammad Umair Younas Lone

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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;

8 The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9 The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

10 The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board;

11 The Board has formed committees comprising of members given below:

a. **Audit Committee**

Mian Hassan Barkat	-	Chairman
Mian Iqbal Barkat	-	Member
Abida Iqbal	-	Member

b. **HR and Remuneration Committee**

Muhammad Musaddaq	-	Chairman
Muhammad Umair Younas Lone	-	Member
Rafia Hassan	-	Member

c. **Nomination Committee**

Mian Hassan Barkat		Chairman
Mian Hassan Barkat		Member
Muhammad Umair Younas Lone		Member

d. **Risk Management Committee**

Mian Iqbal Barkat	-	Chairman
Muhammad Musaddaq	-	Member
Abdul Razzaq Khan	-	Member

12 The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

13 The frequency of meetings(quarterly/half yearly/ yearly) of the aforesaid committee were as per following:

a. **Audit Committee:** Four quarterly meetings during the financial year ended June 30, 2025

b. **HR and Remuneration Committee:** four quarterly meetings during the financial year ended June 30, 2025

c. **Nomination Committee:** Two Half yearly meetings during the financial year ended June 30, 2025

d. **Risk Management Committee:** Two Half yearly meetings during the financial year ended June 30, 2025

14 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;

15 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard;

16 We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with;

On behalf of the Board of Directors

Iqbal Barkat.

Mian Iqbal Barkat
Chief Executive Officer

Mian Hassan Barkat
Director

Lahore: October 03, 2025

Sheikh & Chaudhri
Chartered Accountants

Lahore Office: Corporate Avenue, 32-A, Jail Road,
+92 423 5463623-5
lahore@3epakistan.com
www.3epakistan.com

Independent Auditor's Report

To the Members of KHALID SIRAJ TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the annexed financial statements of KHALID SIRAJ TEXTILE MILLS LIMITED (the Company), which comprise the statements of financial position as at June 30, 2025, 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 material accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the company. Because of significance of matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

a) As explained in Note 3 to the financial statements, the Company ceased its manufacturing operations in November 2013 and also cancelled its lease agreement for the manufacturing facility in the prior year. The Company has incurred recurring losses in prior years, resulting in accumulated losses of Rs. 399.195 million (2024: Rs. 392.762 million) as at 30 June 2025. The Company's current liabilities exceed its current assets by Rs. 183.024 million (2024: Rs. 183.606 million). Moreover, short-term borrowings from financial institutions remain unpaid along with the related accrued markup, which is under litigation. Accordingly, we do not agree with management's use of the going concern basis of accounting in the preparation of these financial statements. However, the financial statements have been prepared on a going concern basis. Had the financial statements been prepared on a non-going concern basis, we believe that it would have had a significant negative impact on the Company's financial position and performance.

b)We were unable to obtain sufficient appropriate audit evidence regarding the mark-up on short-term borrowings amounting to Rs. 16.791 million (2024: Rs. 16.791 million), which the Company has not recognized due to ongoing disputes with financial institutions (refer Note 12 to the financial statements). Furthermore, the Company has not accrued mark-up expense for the current year on these borrowings. In the absence of detailed workings and a legal counsel's opinion in this matter, we were unable to determine whether any adjustment might have been necessary in respect of accrued mark-up and related liabilities.

c) We were unable to obtain sufficient appropriate audit evidence regarding short-term borrowings amounting to Rs. 68.180 million (refer Note 10 to the financial statements) from financial institutions, as direct balance confirmations were not available. These balances also could not be verified through alternative audit procedures or other corroborative evidence.

d) We were unable to obtain sufficient appropriate audit evidence regarding long-term finances amounting to Rs. 153.895 million (2024: Rs. 149.975 million) and their related terms, as disclosed in Note 8 to the financial statements, due to the non-availability of direct confirmations from the respective financial institutions. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of these balances and related disclosures.

e) We were unable to obtain sufficient appropriate audit evidence regarding trade and other payables amounting to Rs. 77.342 million (2024: Rs. 77.770 million), as disclosed in the financial statements, due to the non-availability of direct balance confirmations and the lack of other corroborative audit evidence.

f) We were unable to obtain sufficient appropriate audit evidence regarding unclaimed dividends amounting to Rs. 24.059 million (2024: Rs. 24.059 million), contingencies and commitments, long-term deposits amounting to Rs. 6.349 million (2024: Rs. 6.349 million), trade deposits and short-term prepayments amounting to Rs. 0.507 million (2024: Rs. 0.507 million), deferred liabilities amounting to Rs. 39.793 million (2024: Rs. 45.058 million), cash and bank balances amounting to Rs. 0.0165 million (2024: Rs. 0.0074 million) and tax refunds due from the government amounting to Rs. 0.567 million (2024: Rs. 0.547 million), due to the non-availability of direct balance confirmations and the lack of other corroborative audit evidence.

g) We were unable to obtain sufficient appropriate audit evidence regarding additions to plant and machinery made in prior years, as the lease agreement states that a significant portion of the rentals shall be withheld for the overhauling of the plant. However, the Company has not received any information from the lessees regarding such additions. Accordingly, we were unable to determine whether the closing balance of property, plant and equipment amounting to Rs. 293.119 million (2024: Rs. 314.370 million), as disclosed in Note 15 to the financial statements, together with the related depreciation, revaluation surplus, and their respective adjustments, are fairly stated.

h) The Company is not in compliance with certain requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the rules of the Pakistan Stock Exchange. Accordingly, we have issued a disclaimer review report on the Statement of Compliance. We were unable to determine any financial implications arising from such non-compliance.

i) The Company's accounting policies for various items in the financial statements and related disclosures are not in accordance with the requirements of International Financial Reporting Standards (IFRS) and the related International Accounting Standards (IASs).

j) The company has failed to submit its income tax return for 2024 and 2023, which constitutes non-compliance with Section 114(1) of the Income Tax Ordinance, 2001.

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 responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropirate audit evidence to provide a basis for an audit opinion on these financial statements.

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 other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of the significance of the matters described in Basis of Disclaimer of Opinion section of our report, we express no opinion whether;

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 the 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 Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is ***Saad Ali Rana, FCA.***

SHEIKH & CHAUDHRI
Chartered Accountants
Lahore, Pakistan

Date: October 08, 2025
UDIN: AR20251030695BTKV7nW

Sheikh & Chaudhri
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KHALID SIRAJ 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 Khalid Siraj Textile Mills Limited for the year ended June 30, 2025 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 suffcient 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 non-compliance to Regulation no. 6, 18, 19, 27, 28 and 31, 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, 2025.

Reference of Regulation	Description	Explanation
6	There is no Independent Director in the Company.	According to Regulation Every Company Must have at least 2 Independent Directors or 1/3 of the total directors, Whichever is high.
18,19	The required number of Directors have not participated in the Director Training Program.	According to Regulation by June 30, 2022 all directors on the panel of Board of directors must have gone through Director Training Program.
27	The Chairman of the Audit Committee is not an independent director.	According to regulation chairman of the Audit committee shall be an independent director, who shall not be the chairman of the board.
28	The chairman of the HR and Remuneration Committee is not an independent director.	The Chairman of the HR and Remuneration Committee shall be an independent director.
31	There is no internal audit function.	According to Regulation, every Company must have an internal audit function.

We have also expressed an disclamier of opinion in our audit report to the financial statements for the year ended 30 June 2025.

SHEIKH & CHAUDHRI
Chartered Accountants
Engagement Partner: Saad Ali Rana

Lahore, Pakistan
Dated: October 08, 2025
UDIN: CR202510306LpQmndDch

Statementof of Financial Position
As at 30 June 2025

	Notes	30-Jun-25 Audited	30-Jun-24 Audited
		Rupees	Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,000,000 (30 June 2024: 12,000,000) ordinary shares of Rs. 10 each		**120,000,000**	120,000,000
Issued, subscribed and paid-up share capital	6	**107,000,000**	107,000,000
Accumulated loss		**(399,195,165)**	(392,762,091)
Surplus on revaluation of property, plant and equipment		**214,950,749**	227,840,413
		(77,244,416)	(57,921,678)
Non-current liabilities			
Long-term finances	8	**153,895,767**	149,975,333
Deferred liabilities	9	**39,792,875**	45,057,667
Current liabilities			
Short-term borrowings	10	**68,180,179**	68,216,918
Unclaimed Dividend	11	**24,058,182**	24,058,182
Mark-up accrued	12	**16,790,575**	16,790,575
Trade and other payables	13	**77,341,802**	77,770,255
Income tax liability		**249,659**	359,749
		186,620,397	**187,195,679**
Contingencies and commitments	14	**-**	-
		303,064,623	324,307,001
ASSETS			
Non-current assets			
Property, plant and equipment	15	**293,119,911**	314,369,312
Long-term deposits	16	**6,348,000**	6,348,000
		299,467,911	320,717,312
Current assets			
Stores, spare parts and loose tools	17	**3,018,542**	3,018,542
Trade deposits and short-term prepayments	18	**507,100**	507,100
Tax refunds due from government	19	**54,607**	56,663
Cash and bank balances	20	**16,463**	7,384
		3,596,712	3,589,689
		303,064,623	324,307,001

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
For The Year Ended 30 June 2025

	Notes	Audited 30-Jun-25 Rupees	Audited 30-Jun-24 Rupees
Other operating income	21	-	20,137,171
Other operating expenses			
Administrative and selling expenses	22	(3,262,343)	(3,387,728)
Other Operating Expenses	23	(21,249,401)	(23,580,609)
Finance costs	24	(75,786)	(119,788)
		(24,587,530)	(27,088,125)
Loss from operations		(24,587,530)	(6,950,954)
Provision for tax	25	5,264,792	(6,773,802)
Loss after taxation		(19,322,738)	(13,724,756)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(19,322,738)	(13,724,756)
Earnings per share (basic and diluted)		(1.81)	(1.28)

The annexed notes 1 to 35 form an integral part of these financial statements.

Iqbal Barket

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Changes in Equity
For The Year Ended 30 June 2025

Particulars	Share capital	Revaluation surplus on property, plant and equipment	Revenue reserve Accumulated Loss	Total Equity
	------------------------------	Rupees	------------------------------	
Balance as at June 30, 2023	**107,000,000**	**242,141,894**	**(393,338,815)**	**(44,196,921)**
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(14,301,479)	14,301,479	-
Total comprehensive loss	-	-	(13,724,757)	(13,724,757)
Balance as at June 30, 2024	**107,000,000**	**227,840,415**	**(392,762,093)**	**(57,921,678)**
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(12,889,664)	12,889,664	-
Total comprehensive loss	-	-	(19,322,738)	(19,322,738)
Balance as at June 30, 2025	**107,000,000**	**214,950,751**	**(399,195,167)**	**(77,244,416)**

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Statement of Cash Flows
For The Year Ended 30 June 2025

	Note	Audited 30-Jun-25 Rupees	30-Jun-24 Rupees
(Loss) for the year		**(24,587,530)**	(6,950,955)
Adjustment for non-cash items			
Interest on worker's profit participation fund		**72,646**	94,003
Interest on worker's welfare fund		**-**	20,728
Old liabilities written back		**-**	(19,641,787)
Depreciation	15	**21,249,401**	23,580,609
Finance cost	24	**(3,140)**	5,057
		21,318,907	**4,058,610**
Cash flows before working capital changes		**(3,268,623)**	(2,892,345)
Changes in operating assets / liabilities			
Decrease / (increase) in current liabilities			
Trade and other payables		**(501,099)**	1,835,535
Finance cost paid		**3,140**	(5,057)
Income taxes paid		**(108,034)**	(2,056)
Net cash flows (used in) / from operating activities		**(3,874,616)**	**(1,063,923)**
Cash flows from financing activities			
(Repayments) / Proceeds (net) of short-term borrowings		**(36,739)**	(7,547)
Proceeds (net) of long-term finances	8	**3,920,434**	577,335
Net cash flows (used in) / from financing activities		**3,883,695**	569,788
Net decrease in cash and cash equivalents		**9,079**	(494,135)
Cash and cash equivalents at beginning of the year		**7,384**	501,519
Cash and cash equivalents at end of the year		**16,463**	7,384

The annexed notes 1 to 35 form an integral part of these financial statements.

Aqhe Barket.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

KHALID SIRAJ TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 CORPORATE AND GENERAL INFORMATION

Legal status and operations

KHALID SIRAJ TEXTILE MILLS LIMITED ('the Company') was incorporated in Pakistan as a public limited company on 17 January 1988 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on pakistan stock exchange.The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations. Our manufacturing facility is situated 48 kilometers along Multan Road, Phool Nagar, Bhai Pheru, Tehsil Pattoki, District Kasur.

The company is incorporated as a private company and domiciled in Pakistan. The registered office of the Company is situated 135, Upper Mall, Lahore.

2 BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 Going concern assumption

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates realization of assets and liquidation of liabilities in normal course of business. The Company has incurred recurring losses resulting in accumulated losses of Rs. 399.195 million (2024: Rs. 392.762) million at close of the year ended 30 June 2025. The Company’s current liabilities exceed its current assets by Rs. 183.024 (2024: Rs. 183.606) million.

The Company had ceased its operations since November 2013 due to working capital. However, subsequent to the reporting date, the management is taking steps to recommence operations and are in negotiations with financial institutions to obtain funds to manage working capital requirements. The Company managed its liquidity constraints through financing from its sponsors and its 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 materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

The Company has taken steps to recommence its operations.

4 Basis of prepration and material accounting policies information

The financial statements of KHALID SIRAJ TEXTILE MILLS LIMITED have been prepared in accordance with IFRS Accounting Standards as issued by the international Accounting Standards Board. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, availabie-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Recognition

Property, plant& Equipment is recognised as an assets when:

- It is probable that future economics benefits associated with the assets will flow to the entity
- The cost of the assets can be measured relaibily

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade
- discounts and rebates.
-

any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classitled as held for sale, or the date that the asset is derecognised.

Each part of an item af property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciation is charged by applying reducing balance method over the useful life of an asset. The depreciable amount of an asset is determined after deducting its residual value.Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of econamic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Assets Class	Measurement Base	Useful Life/ Depreciation Rate	Depreciation Method
Freehold Land	Revalution Model	N/A	N/A
Factory Building on freehold Land	Revalution Model	10%	Reducing Balance Method
Non-Factory Building freehold land	Revalution Model	5%	Reducing Balance Method
Plant & Machinery	Revalution Model	10%	Reducing Balance Method
Electric Installation	Revalution Model	10%	Reducing Balance Method
Laboratory Equipment	Revalution Model	10%	Reducing Balance Method
Motor Vehicles	Cost Model	15%	Reducing Balance Method
Furniture & Fixture	Cost Model	10%	Reducing Balance Method
Concrete Mixer & Weighing scales	Cost Model	10%	Reducing Balance Method
Tube Well	Cost Model	10%	Reducing Balance Method
Office Equipment	Cost Model	10%	Reducing Balance Method
Bicyles	Cost Model	20%	Reducing Balance Method
Fans	Cost Model	10%	Reducing Balance Method
Air Conditioner	Cost Model	10%	Reducing Balance Method
Refrid Generator	Cost Model	10%	Reducing Balance Method
Telephone	Cost Model	10%	Reducing Balance Method
Heaters	Cost Model	10%	Reducing Balance Method
Tools & Equipment	Cost Model	10%	Reducing Balance Method
Arms & Ammunition	Cost Model	10%	Reducing Balance Method

4.2 Surplus on revaluation of fixed assets

Surplus arising on acquisition being the difference between fair value of the assets acquired and the consideration paid is recognized as income over the remaining useful life of the assets acquired. Increase in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to un appropriated profit.

4.3 Finanical Instruments

This represents facilities obtained from National Bank of Pakistan for working capital requirements having aggregate sanctioned limits of Rs. 167.50 (2024: Rs. 167.50) million and are secured by way of first pari passu and ranking charges amounting to Rs. 293.113 (2024: Rs. 314.369) million over the fixed and current assets of the Company, pledge of stocks of cotton bales and yarn and personal guarantees of sponsoring directors of the Company. These facilities carry mark-up at the rate of 3 months KIBOR plus 300 bps (2024: 3 months KIBOR plus 300 bps) per annum payable on quarterly basis. These facilities had expired on 31 December 2013 and had not been renewed by the bank till the authorization for issue of these financial statements.

Finanical Assets classification

The Company classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financal assets subsequently measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on-whether the company has made an irrevocable election at the time of initial recognitian to account for the equity

The company reclassifies debt investments when and only when its business model for managing those

Finanical Liabilities classification

The Company classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities. are classified, at initial recognition, as financial liabilities at fair vatue through profit or loss, loans and borrowines, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Rcognition

Financial instruments are recognised initially when the company becames a party to the contractual provisions of the

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

Initial measurement

Financial ossets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financlal asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities

Financial liabilities are recognised initially st fair value and, in the case of foans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
Financial assets
Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- **Amortised cost**: Assets held only for collection of principal and interest payments
  Interest income is included in finance income using the effective interest rate method.
  Any gain or loss on derecognition is recognised in- profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
- Impairment losses are presented as as separate line item in the statement of profit or loss.
  The company's financial assets at amortised cost includes trade receivables, and loans to assaciates and directors included under other non-current financial assets.

- **Fair value through OCI**: Assets held only for collection of principal and interest payments and for selling
- the financial assets.
  Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
- When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCl is reclassified from equity to profit or loss and recognised in other gains/ (losses).
  lnterest income from these financial assets is included in finance income using the effective interest rate method.
- Foreign éxchange gains and losses are presented in other gains / (losses) and impairment expenses are-presented as separate line item in the statement of profit or loss.
- The company's debt instruments at fair value through OCl includes investments in-quoted debt
- instruments included under other non-current financial assets.
  The company elected to classify irrevacably its nan-fisted equity investments under this category.
- -Fairvalue thraugh profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCl
- A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss'and presented net within other gains / (losses) in the period jn which it arises.
  The company may make an irrevocable election at initial vecognition for particular investments in
- equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
  This category includes derivative instruments-and listed equity investments which the company had not irrevocably elected to classify at fair vaiue through OCI. Dividends on listed equity investments are also recognised as other income in the statemient of profit or loss when the right of payment has been established.

Equity instruments

All equity investments are subsequently measured at fair value.

-**Fairvalue through OCI**: elected to present fair value gains and losses on equity investments in OCI There is.no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments continue ta be recognised in profit or loss as other income when the group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

-**Fair value through profit or loss**: assets that do not meet the criteria for amortised cost or fair value through OCI. Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial Liabilities

Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit ar loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Separated embedded derivatives are also classified as held for trading unless thiey are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised.in the statement of profitor loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 -are satisfied. The campany has not designated any financial liability as at fair value through profit or loss.

Amortised cost: Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium an acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to'interest-bearing loans and borrowings.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to-offset the recognised amounts and there-is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must net be contingent on future events and must be enforceable in the normal course of business and in the event of defauilt, insolvency or bankruptcy of the Company or the counterparty.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new fiability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

A forward Iooking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between conitractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral heid or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk;

For credit exposures with-no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).

For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default {a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on'the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the low credit risk simplification is applied. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk usingall reasonable and supportable informatian that is availabl without undue cost or effort. The internal credit rating of the debt instrument Is reassessed during this evaluation. It is also considered whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The company's debt instruments at fair value through 0CI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the XXX Credit Rating Agency and, therefore, are considered to be low credit risk investments, [t is the company's poicy to measure-expected credit losses on such instruments on a 12-month basis. However, when there has been a significant increase in'credit risk since origination, the allowance will be based on the lifetime expected credit loss. The company uses the ratings.from the XXX Credit Rating Ageacy both to determine whether the debt instrument has significantly increased in credit risk and to estimate expected credit fosses.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounits in full before taking into.account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Loan to (from) group company

This can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group company is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured.at amortised cast using the effective interest method.

The loan from group company is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs-and subsequently measured at amortised cost using the effective interest method.

Loan to (from) directar, manager or employee

The loan to director, manager or employee is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from director, manager or employee is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Loan to (from) member

The loan to member Is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The toan from member is classified as a financial liabilities at.amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits; and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

4.5 Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the-effective interest rate method.

4.6 Prepayments

Trade deposits and short term prepayments consist of various payments that have been made for bank guarantee deposits. Trade deposits and short term prepayments are measured at amortised cost, and are derecognised when deposits are withdrwan from bank.

Recognition

Inventories are recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity; and cost of the inventories ¢an be measured reliably.

Measurement

Inventories are measured at the lower of cost and net realisabie value using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

Net reafisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Current replacement cost s the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprise all costs of purchase, costs-of conversion and other costs incurred in bringing the inventories to their present location and condition.

Work-in-process are valued at estimated manufacturing cost.

Finished goods are measured at lower of cost and net realizable value.

4.7 Tax

Tax expense (tax income} is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the vear, after taking Inta account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

deductible temporary differences;

the carry forward of unused tax losses; and

the carry forward of unused tax credits.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

the initial recognition of goodwill; or

the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

is note business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is reafised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
The measurement of defefred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:
there is a legally enforceable fight to set off current tax assets against currenttax liabilities; and the deffered tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the:liabilities simultaneously, in each future period In which significant amounts of deferred tax liabilities or assets are expected to be settied or recovered.

4.8 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in conniection with the borrowing of funds.

4.9 Related Parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:
-A person or a close member of that person's family is related to a reporting entity if that person:
has control or joint control of the reporting entity;
has significant influence over the reporting entity; or
is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
-An entity is related to the reporting entity if any of the following conditions apply:
The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other eritity is a member);
Both entities are-jaint ventures of the same third party;
One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the spansoring employers are also related to the reporting entity;
The entity is controlied or jointly controlled by a person identified as a related party;
A person identified as having controt or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity {or of a parent of the entity); or
The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity,
Related party transactions are carried out on an arm's length basis. Pricing for thase transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the sellér.

4.10 Dividend distribution

Dividend is recognized as liabllity in the period in which it is declared. Dividend to ordinary sharehalders is recognized as a deduction from accumulated profit in statement of changes in equity and as-a liability, to the extent it is unctaimed, in the Company’s financial statements in the year in which the dividends are approved by Company’s shareholders.

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

4.11 Ordinary Share Capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as dedtction from equity.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant estimates and adjustmentshave been applied in the preparation of these financial statements.

	Note	2025 Rupees	2024 Rupees
6 Issued, subscribed and paid up capital			
Issued, subscribed and paid up capital comprises of:			
Ordinary share shares of Rs. 10 each			
- fully paid in cash		100,000,000	100,000,000
- fully paid as bonus shares		7,000,000	7,000,000
		107,000,000	**107,000,000**
The breakup of ordinary share capital is as follows:			
		- - - - Number of shares - - - -	
Ordinary share shares of Rs. 10 each			
- fully paid in cash		10,000,000	10,000,000
- fully paid as bonus shares		700,000	700,000
		10,700,000	**10,700,000**

6.1 There is no movement in capital of the Company during the year.

6.2 The Company has only one class of ordinary shares which carry no right to fixed income. All shares rank pari passu with existing shares in all matters / entitlements including right to bonus shares, right shares and dividends.

7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2025 Rupees	2024 Rupees
Surplus on revaluation		
At beginning of the year	(227,840,413)	(242,141,892)
Add: Surplus arisen during the year	18,154,456	20,142,928
Less: Incremental depreciation for the year	(5,264,792)	(5,841,449)
At end of the year	(214,950,749)	(227,840,413)
Less: Related deferred tax		
At beginning of the year	45,057,667	38,535,580
Less: Deferred Taxation	(5,264,792)	(5,841,449)
Add: Transfer to surplus on revaluation on fixed	-	12,363,536
At end of the year	39,792,875	45,057,667
Net surplus on revaluation	(254,743,624)	(272,898,080)

The Company, had revalued its freehold land, buildings on freehold land and plant and machinery on 30 June 2010 and 30 June 2016 by independent valuers M/s. Anderson Consulting (Private) Limited (who are on the list of approved valuers of Pakistan Banks' Association) and revaluation adjustments were incorporated. The said revaluation exercises were carried-out to replace the carrying amounts of assets with the market values / depreciated market values.

During the year ended 2021, the revaluation exercise was carried out by independent valuers M/s. Surval (who are on the list of approved valuers of Pakistan Banks' Association) and resultant revaluation adjustments were incorporated in these financial statements.

The basis of revaluation are as under:

Freehold land	The value is based on inquiries in the activity of land and also information obtained from different sources in the area. (Forced Sale Value | 2021: Rs. 77,220,000).
Buildings on freehold land (both factory	The value of building is based on information of construction details, covered areas and quality of constructions were noted and new rate of construction per square foot was determined based upon estimates of balance life to arrive at new construction value. (Forced Sale Value | 2021: Rs. 96,300,000).
Plant machinery	The value is based on inquiries from the local market, market based comparisons and setting price of machinery to obtain prevalent replacement values of similar local and imported machinery items. (Forced Sale Value | 2021: Rs. 142,950,000).

8 LONG-TERM FINANCES

	Note	2025 Rupees	2024 Rupees
Previous associated undertakings		-	-
Current and ex-directors	**8.1**	153,895,767	149,975,333
		153,895,767	149,975,333

8.1 Long-term loans from current and ex-directors

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.

Due to the nature of these interest free long-term finances as detailed above, the present value of these loans is not calculated and equity portion is not presented in the financial statements.

9 DEFERRED TAXATION

Deferred Taxation		39,792,875	45,057,667

9.1 Movement in deferred tax balances is as follows:

At beginning of the year		45,057,667	38,535,580
Recognized in profit or loss account:			
- Accelerated tax depreciation on fixed assets		-	
- Surplus on revaluation of property, plant and equipment		-	12,363,536
Deferred tax asset on deductible temporary differences			
- Unused tax losses		(5,264,792)	(5,841,449)
		39,792,875	45,057,667

10 SHORT-TERM BORROWINGS

National Bank of Pakistan	**10.1**	68,180,179	68,180,179
Book overdraft - unsecured		-	36,739
		68,180,179	68,216,918

10.1 This represents facilities obtained from National Bank of Pakistan for working capital requirements having aggregate sanctioned limits of Rs. 167.50 (2024: Rs. 167.50) million and are secured by way of first pari passu and ranking charges amounting to Rs. 293.113 (2024: Rs. 314.369) million over the fixed and current assets of the Company, pledge of stocks of cotton bales and yarn and personal guarantees of sponsoring directors of the Company. These facilities carry mark-up at the rate of 3 months KIBOR plus 300 bps (2024: 3 months KIBOR plus 300 bps) per annum payable on quarterly basis. These facilities had expired on 31 December 2013 and had not been renewed by the bank till the authorization for issue of these financial statements.

11 UNCLAIMED DIVIDEND

Unclaimed dividend		24,058,182	24,058,182

These are unclaimed dividends by sponsors of the Company. The above unclaimed dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore (also refer note 15).

12 MARK-UP ACCRUED ON BORROWINGS

Short-term borrowings		16,790,575	16,790,575

13 Trade and other payables

Trade creditors		27,659,925	28,443,722
Advances from customers		550,000	550,000
Accrued liabilities		2,414,006	2,131,308
Income tax payable		1,359,510	1,359,510
Workers' welfare fund	**13.1**	158,916	158,916
Securities payable		44,600,000	44,600,000
Workers' profit participation fund	**13.2**	599,445	526,799
		77,341,802	77,770,255

13.1 Workers' profit participation fund

Balance as at July 01,	**526,799**	432,796
Mark-up on funds utilized in the company's business	**72,646**	94,003
	599,445	526,799
Payments during the year	**-**	-
	599,445	**526,799**
Allocation for the year	**-**	-
Balance at the end of the year	**599,445**	526,799

12.1.1 Interest on workers' profit (participation) fund has been provided at the rate 1 Year KIBOR + 2.5%.

13.2 Workers' welfare fund

Balance at the begnning of the year	**158,916**	138,188
Interest for the year	**-**	20,728
Allocation for the year	**-**	-
Balance at the end of the year	**158,916**	158,916

14 Contingencies and commitments

There are no contingencies at the reporting date (2024: Rs. Nil).

16 LONG-TERM DEPOSITS

Wapda Security Deposits	**16.1**	6,258,000	6,258,000
Security Deposits		90,000	90,000
		6,348,000	6,348,000

16.1 These are deposits with utility company. As these being held for indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

17 STORES, SPARE PARTS AND LOOSE TOOLS

Machinery Spares	3,018,542	3,018,542
	3,018,542	**3,018,542**

18 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Bank guarantee deposits	**507,100**	507,100

19 TAX REFUNDS DUE FROM GOVERNMENT

Income tax refundable	-	2,056
Sales tax refundable	54,607	54,607
	54,607	56,663

19.1. It represents accumulated differences of input tax on purchases and sales tax payable.

20 CASH AND BANK BALANCES

With banks (on current accounts)	16,463	7,384

21 OTHER OPERATING INCOME

Other income	-	495,384
Liabilities written back	-	19,641,787
	-	20,137,171

22 ADMINISTRATIVE AND GENERAL EXPENSES

Director's remuneration	-	597,500
Salaries and other benefits	2,069,707	1,885,260
Motor Vehicle Operation	-	89,817
Printing and stationery	-	64,500
News paper and periodicals	-	780
Legal and professional charges	400,000	267,195
Repair and Maintenace	110,500	9,552
Fee and subscription	112,136	57,374
Auditors' remuneration	390,000	300,000
Others Expenses	5,000	79,750
Advertisement Expenses	175,000	36,000
	3,262,343	3,387,728

Auditors' remuneration

Audit fee	325,000	250,000
Fee for interim review and other certifications	65,000	50,000
	390,000	300,000

23 OTHER OPERATING EXPENSES

Provision for obsolete store items	-	-
Workers' welfare fund	-	-
Workers' profit participation fund	-	-
Depreciation on property, plant and equipment	21,249,401	23,580,609
	21,249,401	23,580,609

24 FINANCE COST

Bank charges and commission	3,140	5,057
Interest on Worker's profit participation fund	72,646	94,003
Interest on Worker's Welfare fund	-	20,728
	75,786	119,788

25 TAXATION

Current	-	251,715
Prior year effect	-	12,363,536
Deferred	(5,264,792)	(5,841,449)
	(5,264,792)	6,773,802

Current year

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

26 Financial risk management

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk;
b) Liquidity risk; and
c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

26.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company’s risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

26.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

26.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial asset at amortized cost	**Notes**	**2025**	**2024**
		-------------- **Rupees** --------------	
Trade debts-considered good but unsecured	**18**	507,100	507,100
Cash and bank balances	**20**	16,463	7,384
		523,563	514,484

26.2.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

- **(a) Counterparties without external credit ratings**

These mainly include customers which are counter parties to local and foreign trade debts against sales. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written of when there is no reasonable expectation of recovery. On adoption of IFRS 9, management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a ‘role rate’ method based on the probability of receivable progressing through successive stages of delinquency to write-of. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2023 was determined as follows:

	2025		2024	
	Gross carring value	Loss Allowance	Gross carring value	Loss Allowance
	------------------------------------ Rupees	--------------------------------------		
Not yet due	-	-	-	-
Past due 0 - 90 days	-	-	-	-
Past due 91 - 180 days	-	-	-	-
Past due 181 - 365 days	-	-	-	-
Past due 366 days	-	-	-	-
	-	-	-	-

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

- ***(b) Other financial assets***

Based on past experience the management believes that no impairment allowance is necessary in respect of other assets.

- ***(c) Counterparties with external credit ratings***

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margin against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating		
	Short-term	Long-term	Agency
National Bank of Pakistan	A-1+	AAA	VIS
Al-Baraka Islamic Investment	A1	AA-	VIS
Habib Metropolitan Bank Limited	AA+	A1+	PACRA

26.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

26.4 Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk table

The following table detail the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay. For effective markup rate please see note to these financial statements. Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	Notes	*2025*			
		Carrying amount	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
		Rupees			
Long-term finances	**8**	153,895,767	153,895,767	153,895,767	-
Short-term borrowings	**10**	68,180,179	68,180,179	68,180,179	-
Unclaimed dividend	**11**	24,058,182	24,058,182	24,058,182	-
Mark-up accrued	**12**	16,790,575	16,790,575	16,790,575	-
Trade and other payables	**13**	77,341,802	77,341,802	77,341,802	-
		262,924,703	262,924,703	262,924,703	-

		2024			
		Carrying amount	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
		Rupees			
Long-term finances	**8**	149,975,333	149,975,333	149,975,333	-
Short-term borrowings	**10**	68,216,918	68,216,918	68,216,918	-
Unclaimed dividend	**11**	24,058,182	24,058,182	24,058,182	-
Mark-up accrued	**12**	16,790,575	16,790,575	16,790,575	-
Trade and other payables	**13**	77,770,255	77,770,255	77,770,255	-
		336,811,263	336,811,263	336,811,263	-

26.5 Financial instruments by categories

	Notes	**2025**		
		At Amortized Cost	**At FVTOCI**	**Total**
		RUPEES		
Assets as per statement of financial position				
Trade debts-considered good but unsecured	**18**	507,100	-	507,100
Cash and bank balances	**20**	16,463	-	16,463
		523,563	-	523,563

	Notes	**2025**		
		At Amortized Cost	**At FVTOCI**	**Total**
		RUPEES		
Assets as per statement of financial position				
Trade debts-considered good but unsecured	**18**	507,100	-	507,100
Cash and bank balances	**20**	7,384	-	7,384
		514,484	-	514,484

	Notes	2025 At Amortized Cost	2025 At FVTOCI	2025 Total
		-------RUPEES-------		
Liabilities as per statement of financial position				
Long-term finances	**8**	153,895,767	-	153,895,767
Short-term borrowings	**10**	68,180,179	-	68,180,179
Unclaimed dividend	**11**	24,058,182	-	24,058,182
Mark-up accrued	**12**	16,790,575	-	16,790,575
Trade and other payables	**13**	77,341,802	-	77,341,802
		340,266,505	-	340,266,505

	Notes	2025 At Amortized Cost	2025 At FVTOCI	2025 Total
		-------RUPEES-------		
Liabilities as per statement of financial position				
Long-term finances	**8**	149,975,333	-	149,975,333
Short-term borrowings	**10**	68,216,918	-	68,216,918
Unclaimed dividend	**11**	24,058,182	-	24,058,182
Mark-up accrued	**12**	16,790,575	-	16,790,575
Trade and other payables	**13**	77,770,255	-	77,770,255
		336,811,263	-	336,811,263

26.5.1 Reconciliation of financial assets and financial liabilities to the line items presented in the consolidated statement of financial position is as follows:

	Notes	2025 Financial Assets	2025 Other than financial assets	2025 Total
		-------RUPEES-------		
Assets as per statement of financial position				
Trade debts-considered good but unsecured	**18**	507,100	-	507,100
Cash and bank balances	**20**	16,463	-	16,463
		523,563	-	523,563

	Notes	2024 Financial Assets	2024 Other than financial assets	2024 Total
		-------RUPEES-------		
Assets as per statement of financial position				
Trade debts-considered good but unsecured	**18**	507,100	-	507,100
Cash and bank balances	**20**	7,384	-	7,384
		514,484	-	514,484

	Note	2025 Financial Liabilities	2025 Other than financial liabilities	2025 Total
		-------RUPEES-------		
Liabilities as per statement of financial position				
Long-term finances	**8**	153,895,767	-	153,895,767
Short-term borrowings	**10**	68,180,179	-	68,180,179
Unclaimed dividend	**11**	24,058,182	-	24,058,182
Mark-up accrued	**12**	16,790,575	-	16,790,575
Trade and other payables	**13**	77,341,802	-	77,341,802
		340,266,505	-	340,266,505

	Note	2024 Financial Liabilities	2024 Other than financial liabilities	2024 Total
		-------RUPEES-------		
Liabilities as per statement of financial position				
Long-term finances	**8**	149,975,333	-	149,975,333
Short-term borrowings	**10**	68,216,918	-	68,216,918
Unclaimed dividend	**11**	24,058,182	-	24,058,182
Mark-up accrued	**12**	16,790,575	-	16,790,575
Trade and other payables	**13**	77,770,255	-	77,770,255
		336,811,263	-	336,811,263

26.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease from related parties and short term borrowings obtained by the Company. Total capital employed includes 'total equity' as shown in the statement of financial position.

Debt equity ratio	**2025**	**2024**
Total debts	222,075,946	218,192,251
Total equity	(77,244,415)	(57,921,677)
Debt equity ratio	-2.87	-3.77

26.7 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is not exposed to currency risk as all transactions are carried out in domestic currency.

Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Fixed rate financial instruments

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Variable rate instruments

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss as the Company is in litigation with the financial institutions and not charging any mark-up on these borrowings.

Price risk management

The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

27 Recognized fair value measurements - financial instruments

(i) 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 these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level is as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-thecounter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

	Notes	Carrying Amount				Fair value		
		Fair value through statement of profit or loss	Financial assets at amortised cost	Other financial liailities	Total	Level 1	Level 2	Level 3
		--RUPEES--						
June 30, 2025								
Financial assets at fair value		-	-	-	-	-	-	-
Financial assets at amortised cost								
Trade debts	18	-	507,100	-	507,100	-	-	-
Cash and bank balances	20	-	16,463	-	16,463	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Accrued markup	12	-	-	16,790,575	16,790,575	-	-	-
Trade creditors and other payables	13	-	-	75,223,931	75,223,931	-	-	-
		-	-	-	-	-	-	-

	Notes	Carrying Amount				Fair value		
		Fair value	Financial assets	Other financial	Total	Level 1	Level 2	Level 3
		--RUPEES--						
June 30, 2024								
Financial assets at fair value		-	-	-	-	-	-	-
Financial assets at amortised cost								
Trade debts	18	-	507,100	-	507,100	-	-	-
Cash and bank balances	20	-	7,384	-	7,384	-	-	-
Financial liabilities measured at fair value		-	514,484	-	514,484	-	-	-
Financial liabilities not measured at fair value								
Accrued markup	12	-	-	16,790,575	16,790,575	-	-	-
Trade creditors and other payables	13	-	-	75,725,030	75,725,030	-	-	-
		-	-	92,515,605	92,515,605	-	-	-

28 Related party transactions

28.1 Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of Related Party	Nature of Transactions	Nature of relationship	2025 RUPEES	2024 RUPEES
Mian Iqbal Barkat	Loan Received/(Repaid)	director	3,840,434	-
Mian Tahir Iqbal	Loan Received/(Repaid)	director	80,000	-
Mian Tayyab Iqbal	Remuneration	director	-	597,500

28.2 **following is the detail of related parties, however, no transaction have been entered into by the Company with them during the current as well as last year.**

Company Name	Basis of relationship
Barkat Textile Mills Limited	Common directorship
Ramzan Buksh Textile Mills Limited	Common directorship
Ittefaq Textile Mills Limited	Common directorship
Ittefaq Foundries (Private) Limited	Common directorship
Brother Textile Mills Limited	Common directorship

29 Remuneration of Chief Executive, Directors and Executives

29.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the full time working directors and executives of the Company is as follows:

	Chief Executive 2025	Chief Executive 2024
Managerial remuneration	-	-
Number of persons	1	1

29.2 During the year the company has paid remuneration of Rs. Nil (2024: Rs. 597,500) to the directors.

30 Number of employees	2025	2024
	------ ----- Numbers	----------
Number of employees as at June 30th	6	6
Average number of employees during the year	7	7

31 Plant capacity and actual production

	2025	2024
Number of spindles installed	17,280	17,280
Installed capacity after conversion into 20 / S counts (kilograms)	4,668,224	4,668,224

32 LOSS PER SHARE (BASIC AND ANTI-DILUTIVE)

Loss attributable to ordinary equity holders of the Company	(19,322,738)	(13,724,756)
Weighted average number of ordinary shares	10,700,000	10,700,000
Loss per share - basic and anti dilutive	(1.81)	(1.28)

33 Events after the balance sheet date

There are no reportable events after balance sheet date.

34 General

Figures in these financial statements have been rounded off to the nearest of rupee.

35 Date of authorisation for issue

These financial statements were authorized for issue on October 03, 2025 by the Board of Directors of the Company.

CHIEF EXECUTIVE **DIRECTOR**

15. Operating Fixed Assets

Particulars	Cost				Depreciation					Book Value As at June 30, 2025
	As at July 01, 2024	Additions	(Deletions)	As at June 30, 2025	Rate	As at July 01, 2024	Charged for the year	(Deletions)	As at June 30, 2025	
	<------------------------------Rupees----------------------------->					--Rupees--				
Freehold land										
cost	1,064,296	-	-	1,064,296	0%	-	-	-	-	1,064,296
Revaluation	95,460,703	-	-	95,460,703		-	-	-	-	95,460,703
	96,524,999	-	-	96,524,999		-	-	-	-	96,524,999
Factory building on freehold land										
Cost	35,311,982	-	-	35,311,982	10%	31,712,729	359,925	-	32,072,654	3,239,328
Revaluation	194,932,641	-	-	194,932,641	10%	125,948,359	6,898,428	-	132,846,787	62,085,854
	230,244,623	-	-	230,244,623	0	157,661,088	7,258,354	-	164,919,442	65,325,182
Non-factory building on freehold land										
cost	7,380,828	-	-	7,380,828	5%	6,280,512	55,016	-	6,335,528	1,045,300
Revaluation	19,394,423	-	-	19,394,423	5%	9,582,930	490,575	-	10,073,505	9,320,918
	26,775,251	-	-	26,775,251	0	15,863,442	545,590	-	16,409,032	10,366,218
Plant and machinery										
Textile Machinery										
Cost	320,871,940	-	-	320,871,940	10%	296,476,257	2,439,568	-	298,915,825	21,956,115
Revaluation	415,366,439	-	-	415,366,439	10%	311,984,686	10,338,175	-	322,322,861	93,043,578
	736,238,379	-	-	736,238,379	0	608,460,943	12,777,744	-	621,238,687	114,999,693
Electric installations										
Cost	6,881,121	-	-	6,881,121	10%	6,117,770	76,335	-	6,194,105	687,016
Revaluation	16,214,684	-	-	16,214,684	10%	14,287,339	192,735	-	14,480,074	1,734,611
	23,095,805	-	-	23,095,805	0	20,405,109	269,070	-	20,674,179	2,421,627
Laboratory equipment										
Cost	6,692,987	-	-	6,692,987	10%	6,521,966	17,102	-	6,539,068	153,919
Revaluation	18,295,338	-	-	18,295,338	10%	15,949,912	234,543	-	16,184,455	2,110,883
	24,988,325	-	-	24,988,325	0	22,471,878	251,645	-	22,723,523	2,264,802
Vehicle	13,263,417	-	-	13,263,417	15%	13,052,316	31,665	-	13,083,981	179,436
Concrete Mixer	300,000	-	-	300,000	10%	292,587	741	-	293,328	6,672
Weighing Scales	233,200	-	-	233,200	10%	226,951	625	-	227,576	5,624
Furniture & Fixture	4,579,726	-	-	4,579,726	10%	3,927,316	65,241	-	3,992,557	587,169
Fans	84,438	-	-	84,438	10%	71,893	1,255	-	73,148	11,291
Air Conditioner	1,646,025	-	-	1,646,025	10%	1,461,309	18,472	-	1,479,781	166,244
Refridgerator	170,400	-	-	170,400	10%	156,926	1,347	-	158,273	12,127
Telephone	538,740	-	-	538,740	10%	502,306	3,643	-	505,949	32,791
Office Equipment	570,809	-	-	570,809	10%	535,971	3,484	-	539,455	31,354
Heaters	18,950	-	-	18,950	10%	18,125	83	-	18,208	742
Tools & Equipments	154,960	-	-	154,960	10%	151,099	386	-	151,485	3,475
Cycles	11,880	-	-	11,880	20%	11,842	8	-	11,850	30
Arms & ammunition	27,350	-	-	27,350	10%	25,753	160	-	25,913	1,437
Tube Well	1,292,880	-	-	1,292,880	10%	1,093,993	19,889	-	1,113,882	178,998
2025	**1,160,760,157**	**-**	**-**	**1,160,760,157**		**846,390,847**	**21,249,401**	**-**	**867,640,248**	**293,119,911**
2024	**1,160,760,157**	**-**	**-**	**1,160,760,157**		**931,029,932**	**26,169,528**	**-**	**846,390,846**	**314,369,312**

FORM OF PROXY

KHALID SIRAJ TEXTILE MILLS LIMITED

135-Upper Mall, Lahore

I/We ____ of ______________________________________ being member(s) of **Khalid Siraj Textile Mills Limited** under Member Register Folio No. ___________ and/or CDC Participant ID No./Sub-Account No/Investor Account No. _______________________ and holder of ______________ ordinary shares hereby appoint Mr./Mrs./Miss ____ who is also a member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held at the Registered Office of the Company, 135-Upper Mall, Lahore on Friday, January 31, 2025 at 10:00 a.m. or at any adjournment thereof.

As witness my/our hand(s) this ____ day of 2025
signed by the said ____in the presence of

1. Witness:

Signature ________________________

Name ________________________

CNIC ________________________

____

Signature of Member

Affix Revenue
Stamps of Rs.5/-

2. Witness:

Signature ________________________

Name ________________________

Address ________________________

Shareholder's Folio No.____________________

CDC Participant I.D/Sub A/c # ____________

CNIC ________________________________

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office 135-Upper Mall, Lahore, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.
3. An individual beneficial owner of CDC, entitled to attend any vote at this meeting, must bring his/her NIC/Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her NIC/Passport. Representative of corporate members should bring the original usual documents required of such purpose.
4. No person shall act as proxy unless he is member of the Company.