

# **SARITOW SPINNING MILLS LIMITED**

**1<sup>st</sup> QUARTER REPORT**

**30-09-2025**

**(Un-Audited)**

**BOARD OF DIRECTORS**

Mr. M. Naseem Saigol	Chairman
Mr. M. Zeid Yousuf Saigol	Chief Executive Officer
Mr. M. Murad Saigol	
Mr. Samir Iqbal Saigol	
Mr. Muhammad Omer Farooq	
Mrs. Sadaf Kashif	
Mr. Jamal Nasim	

**AUDIT COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Mrs. Sadaf Kashif	Member

**HR & REMUNERATION COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. M. Zeid Yousuf Saigol	Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member

**COMPANY SECRETARY**

Mr. Shakeel Ahmed

**CHIEF FINANCIAL OFFICER**

Mr. Muhammad Shamil, FCA

**AUDITORS**

M/s Rahman Sarfaraz Rahim Iqbal Rafiq & Co.  
Chartered Accountants

**BANKERS**

Bank Alfalah Limited  
Faysal Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
NIB Bank Limited  
The Bank of Punjab  
Summit Bank Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
Askari Bank Limited  
Habib Bank Limited  
JS Bank Limited  
Sindh Bank Limited

**SHARE REGISTRAR**

M/s Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore  
Tel: 042-35916714-19, 35839182 Fax: 042-35869037  
E-mail: [shares@corplink.com.pk](mailto:shares@corplink.com.pk)

**REGISTERED OFFICE**

10-G, Mushtaq Ahmed Gurmani Road,  
Gulberg-II, Lahore  
Tel: 042-35920151-59 (Pabx) & 042-35920133 (Direct)  
E-mail: [shares@saigols.com](mailto:shares@saigols.com)

**MILLS**

51-KM, Multan Road,  
Phool Nagar, District Kasur



ISO 9001:2008 Certified

# SARITOW SPINNING MILLS LIMITED

10-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, Lahore (Pakistan), Phone: 042-35920151-59 (Pabx)  
042-35920133 (Direct) Email: azamsaritow@saigols.com

## DIRECTORS' REPORT

The Directors of M/s. Saritow Spinning Mills Limited are please to present Financial Results for the 1st quarter ended September 30, 2025 along with Director Report thereupon.

### Financial Highlights

	<u>Quarter Ending</u> <u>Sept 30, 2025</u>	<u>Quarter Ending</u> <u>Sept 30, 2024</u>
Net Sales	0	0
Gross (Loss)	(19.884)	(20.047)
Operating (Loss)	(25.534)	(26.389)
(Loss) after Tax	(25.557)	(28.096)
Earnings per share	(0.86)	(0.94)

### Operating Financial Results

During the period under Review your Company remained temporarily closed due to unsustainable losses in past years. Detailed discussions were made to sort out some practical and feasible plan for revival of the project. After detailed deliberation it was agreed to close down the loss making spinning business. Sell the complete Plant and Machinery along with ancillary equipment and use the Factory Building and workers colonies for Rental purpose. It was further decided to use the sale proceed of Plant and Machinery for refurbishing the building for rental purpose and the balance be utilized for repayment of creditors. For that purpose, following resolutions were passed subject to approval of Share Holders in extra ordinary general meeting to be held in November 2025.

At a meeting of the Board of Directors of Saritow Spinning Mills Limited (the "Company") held on 30 October 2025, the Board considered the closure of the Company's textile operations and proposed strategic restructuring. The following resolutions were unanimously passed:

**Resolution 1 – Sale of Plant & Machinery:** “RESOLVED THAT the Company be and is hereby authorized to sell or otherwise dispose of **the entire plant, machinery, and related factory equipment** of the Company located at the Company’s manufacturing site (near 51 Km, Multan Road, Tehsil Phool Nagar, District Kasur), in accordance with the provisions of Section 183(3) of the Companies Act, 2017. The sale (the “Proposed Sale”) shall be conducted around the fair market value (approximately PKR 411.93 million as per independent valuation) or at such price at which the assets are actually sold owing to the market conditions and shall be subject to all necessary corporate, legal, and regulatory approvals, including approval of the shareholders of the Company in general meeting.”

**Resolution 2 – Approval of Revised Business Plan:** “RESOLVED THAT the Board approves the **Alternate Business Plan** for the revival of the Company, whereby the Company’s idle spinning mill building will be **repurposed into warehousing (godown) facilities for rental income**. The Board endorses the strategy to convert the existing factory infrastructure into approximately 400,000 square feet of rentable space including warehouse and colony & quarters, and acknowledges that this will become the new principal line of business of the Company (the “Godown Rental Business”).





ISO 9001:2008 Certified

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The Board believes this plan will provide a viable source of revenue and address the Company's going concern issues.

The **sale proceeds** from the Proposed Sale of machinery shall be utilized to fund the refurbishment of the premises into storage units and to support the new business operations as well as for retiring a portion of the Company's outstanding liabilities and enhancing working capital, as outlined in the business plan approved by the Board. The management is directed to take all preliminary steps to implement this plan, subject to shareholders' approval."

**Resolution 3 – Authorization to Implement and Delegate:** "RESOLVED FURTHER THAT the Chief Executive Officer of the Company be and is hereby authorized and empowered to take all necessary actions, do all acts, deeds and things, and execute all documents as may be required to give effect to the above resolutions, including but not limited to finalizing terms of the asset sale, engaging professional valuers/auctioneers, circulating requisite information to shareholders, and any ancillary steps. The CEO is authorized to delegate any of his powers in this regard to any other officer of the Company as deemed appropriate.

"RESOLVED FURTHER THAT the CEO is authorized to make such modifications or amendments to the implementation of the foregoing resolutions as may be suggested or required by the Securities and Exchange Commission of Pakistan (SECP) or any other regulatory authority, without necessitating a fresh Board or shareholders' resolution, provided that such changes do not materially alter the substance of the approvals granted herein."

Board Resolution for Alteration of MOA/AO

**Resolution 4 – Change of Objects:** "RESOLVED THAT in view of the Company's decision to cease textile manufacturing and undertake the Godown Rental Business as its new principal line, **the Memorandum of Association (MOA)** of the Company be amended by **replacing the existing principal object clause** (relating to yarn manufacturing) with a **new principal object clause** reflecting the warehousing and leasing business, and that all references in the MOA and Articles of Association (AOA) to textile/spinning operations be deleted or replaced accordingly. The Board approves the draft amended MOA/AOA, subject to shareholders' approval and any changes required by the SECP.

"RESOLVED FURTHER THAT the Chief Executive Officer and the Company Secretary be and are hereby authorized singly to do all acts, deeds and things, and to file all necessary documents and returns with the SECP, Registrar of Companies and other relevant authorities, to effectuate the change of object clause alteration. The CEO is authorized to accept and incorporate any modifications in the MOA/AOA wording as may be suggested by the regulatory authorities as a condition of approval, without requiring a fresh Board or members' resolution."

## **Future Outlook**

As explained above we are at the moment working on restarting/ revival of the project as explained above. We do hope that the plan will work and be able safe guard the interest of Share Holders and earn profits.



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## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

Names	Category
Mr. Jamal Nasim	Independent Director
Mrs. Sadaf Kashif	Female Director/ Independent Director
Mr. M. Naseem Saigol	Non-Executive Directors
Mr. Muhammad Murad Saigol	
Mr. Muhammad Omer Farooq	
Mr. Muhammad Zeid Yousuf Saigol	Executive Directors
Mr. Samir Iqbal Saigol	

## **COMMITTEE'S**

Detail of Committee's of Board is as under.

### **AUDIT COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Mrs. Sadaf Kashif	Member

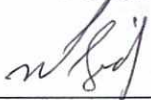
### **HR & REMUNERATION COMMITTEE**

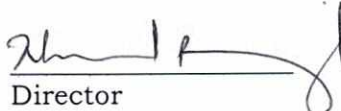
Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Zeid Yousuf Saigol	Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member

We wish to thank to the shareholders for their support. We are pleased to record our appreciation of the services rendered by the employees of the company and hope that the same spirit of devotion will continue in future.

For and on behalf of the Boards

Lahore  
October 30, 2025

  
Chief Executive

  
Director



# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025

	Note	September 30, 2025	June 30, 2025
		Rupees	Rupees
		[Un-Audited]	[Audited]
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		350,000,000	350,000,000
Issued share capital		298,406,070	298,406,070
Revaluation reserve		622,471,778	622,471,778
Accumulated losses		(833,492,190)	(807,934,937)
<b>TOTAL EQUITY</b>		<b>87,385,658</b>	<b>112,942,911</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits		18,985,009	19,273,009
		<b>18,985,009</b>	<b>19,273,009</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		291,909,171	285,535,300
Unclaimed dividend		485,351	485,351
Short term borrowings		816,984,965	817,586,019
		<b>1,109,379,487</b>	<b>1,103,606,670</b>
<b>TOTAL LIABILITIES</b>		<b>1,128,364,496</b>	<b>1,122,879,679</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,215,750,154</b>	<b>1,235,822,590</b>

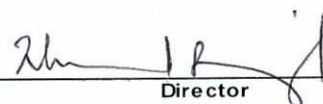
The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025

	Note	September 30, 2025	June 30, 2025
		Rupees	Rupees
		[Un-Audited]	[Audited]
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,187,287,609	1,198,120,499
Long term deposits		13,756,860	13,756,860
		1,201,044,469	1,211,877,359
<b>CURRENT ASSETS</b>			
Stores and spares		10,478,616	10,478,617
Short term advances		549,000	3,049,000
Short term deposits		1,229,383	3,275,544
Sales tax refundable / adjustable		1,206,970	1,206,970
Cash and bank balances		1,241,716	5,935,100
		14,705,685	23,945,231
<b>TOTAL ASSETS</b>		<b>1,215,750,154</b>	<b>1,235,822,590</b>

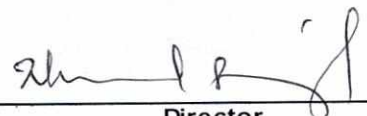
The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30,2025

	Note	Quarter Ended	
		September 30,2025	September 30,2024
		Rupees	Rupees
Revenue from contracts with customers - net		-	
Cost of sales	11	19,884,143	20,047,229
Gross (loss)/profit		(19,884,143)	(20,047,229)
Selling and distribution expenses		143,160	465,360
Administrative expenses		5,506,550	5,876,976
		5,649,710	6,342,336
Other income			
Operating (loss)/profit		(25,533,853)	(26,389,565)
Finance cost		23,400	1,707,236
(Loss)/profit before taxation		(25,557,253)	(28,096,801)
Provision for taxation			
(Loss)/profit after taxation		(25,557,253)	(28,096,801)
(Loss)/earnings per share - basic and diluted		(0.86)	(0.94)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

		
Chief Executive	Chief Financial Officer	Director



# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ending September 30, 2025	Three-month period ended September 30, 2024
	<i>Rupees</i>	<i>Rupees</i>
Other comprehensive income	-	-
(Loss)/profit after taxation	(25,557,253)	(28,096,801)
Total comprehensive (loss)/income	(25,557,253)	(28,096,801)

*The annexed notes from 1 to 16 form an integral part of these interim financial statements.*



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30,2025

	Share capital		Capital reserves		
	Issued share capital	Loan from director	Revaluation reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2025 - [Un-audited]	298,406,070		622,471,778	(807,934,937)	112,942,911
Comprehensive income					
Profit / Loss after taxation	-	-	-	(25,557,253)	(25,557,253)
Other comprehensive loss	-	-			-
Total comprehensive income	-	-	-	(25,557,253)	(25,557,253)
Incremental depreciation	-				
Transaction with owners	-				
As at 30 June 2025 - [Audited]	298,406,070	-	622,471,778	(833,492,190)	87,385,658

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30,2025

	QUARTER ENDED	
	September 30,2025	September 30,2024
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(25,557,253)	(28,096,801)
Adjustments for non-cash items		
Depreciation	10,790,413	13,004,902
Interest on borrowings		1,707,236
	10,790,413	14,712,138
Operating (loss)/profit before changes in working capital	(14,766,840)	(13,384,663)
Changes in working capital		
Trade receivables		3,735,954
Short term deposits	2,046,161	
Advances and other receivables	2,500,000	11,230,981
Trade and other payables	6,373,871	30,982,145
Long term payables		
	10,920,032	45,949,080
Net cash used in from operations	(3,846,808)	32,564,417
Payments for:		
Interest on borrowings		(11,569,561)
Employees retirement benefits	(288,000)	
Net cash used in operating activities	(4,134,808)	20,994,856
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment		
Proceeds from disposal of property, plant and equipment	42,478	
Net cash used in investing activities	42,478	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances		(40,616,799)
Net increase in short term borrowings	(601,054)	
Net cash generated from financing activities	(601,054)	(40,616,799)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,693,384)	(19,621,943)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5,935,100	28,766,133
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,241,716	9,144,190

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director



# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30, 2025

### 1 LEGAL STATUS AND OPERATIONS

Saritow Spinning Mills Limited [the Company] was incorporated in Pakistan on 10 March 1987 as Public Limited Company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 17- Aziz Avenue, Canal Bank Gulberg - V, Lahore. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn. The Mill is located at Bhai Pheru, District Kasur in the province of Punjab.

### 2 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2025.

#### 2.1 Statement of compliance

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

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Appropriateness of the going concern assumption

The Company has been facing a declining trend in profitability resulting in substantial losses. During the period ended 31 March 2025, the Company has incurred gross loss of Rs. 19,884 million and loss after taxation of Rs. 25,557 million. As at 31 March 2024, the Company has accumulated losses of Rs. 833,492 million and its current liabilities exceed its current assets by Rs. 1,094,674 million as at that date. Depressed yarn prices, increased production cost and underutilization of production capacity have contributed to the Company's challenging liquidity situation due to which the Company has mostly relied on the financial support of its directors and sponsors. The Board of Directors of the Company in its meeting held on 28 February 2024 has resolved to close the production facility for the time being. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

(a) The Company has continued financial support of its directors and sponsors in the form of interest free loans. The directors and sponsors have provided financial support amounting to Rs. 449,100 million in the form of interest free loans.

(b) Despite accumulated losses the Company has positive equity.

(c) The Company has curtailed its production in order to minimize fixed costs which will reduce the financial burden on the Company providing immediate relief.

(d) The Company has remained current in its debt servicing.

(e) The management expects market conditions to improve with political uncertainty subsiding post General Elections 2024.

The management believes that in view of the afore mentioned, the Company will able to continue as a going concern.

#### 2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Employee retirement benefits	Present value

#### 2.4 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 2.5 Functional currency

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

#### 2.6 Date of authorization for issue

This interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 30 th Aprii 2025.

### 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

**3.1 Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

**3.2 Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

**3.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)**

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

**3.4 International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)**

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

**4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.**

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 Climate-related Disclosures	01 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024
Lack of Exchangeability (Amendments to IAS 21)	01 January 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2025
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 17 - Insurance contracts	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

**5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION**

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended 30 June 2023.

**6 REVALUATION RESERVE**

This represent loan from director transferred from short term borrowings. The loan is unsecured, interest free and payable at the discretion of the Company. The loan is presented as equity as per "Technical Release 32 - Accounting for Directors' Loan" issued by The Institute of Chartered Accountants of Pakistan.

**7 LOAN FROM DIRECTORS AND SPONSORS**

This represents loan obtained from directors of the Company and other shareholders. The loan is unsecured.

The loan is subordinate to long term finances and short term borrowings of the Company. Accordingly the loan matures on 29 October 2025 being the date before which the lenders cannot demand repayment of this loan under the subordination agreement.

The loan carries interest at one year KIBOR plus 2.5% (30-Jun-25: one year KIBOR plus 2.5%) per annum, payable on maturity. The lenders may at their



# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30, 2025

sole discretion waive the payment of interest.

### 8 CONTINGENCIES AND COMMITMENTS

#### 8.1 Contingencies

There is no significant change in status and amount of contingencies since 30 June 2023.

#### 8.2 Commitments

	September 30, 2025	June 30, 2025
	Rupees	Rupees
	[Un-Audited]	[Audited]
8.2.1 Commitments under irrevocable letters of credit for :		
- purchase of raw material	-	-
- purchase of stores and spares	-	-
	-	-

### 9 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	1,113,474,883	1,198,120,499
Long term deposit	13,756,860	13,756,860
	1,127,231,743	1,211,877,359

	Note	Quarter ended	
		September 30, 2025	September 30, 2024
		Rupees	Rupees
		[Un-Audited]	[Un-Audited]
10 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Yarn		-	-
Waste		-	-
		-	-

### 11 COST OF SALES

Power and fuel	1,766,014	351,189	
Salaries, wages and benefits	7,059,875	5,959,387	
Insurance	575,600	648,068	
Depreciation	10,343,673	13,004,902	
Other manufacturing overheads	138,981	83,683	
Manufacturing cost	-	19,884,143	20,047,229
Work in process			
as at beginning of the period		-	-
as at end of the period		-	-
		-	-
Cost of goods manufactured		19,884,143	20,047,229
Finished goods			
as at beginning of the period			
as at end of the period			
		-	-
		19,884,143	20,047,229

### 12 PROVISION FOR TAXATION

Current taxation	12.1	-	-	-	-
Deferred taxation	12.2	-	-	-	-
		-	-	-	-

12.1 Provision for current tax has been made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001.

12.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated company, key management personnel ['KMP'] and their close relatives. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date are as follows:



# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Kohinoor Power Company Limited	Associated company	Common directorship	0.00%
M. Zeid Yousuf Saigol	Key management personnel	Chief Executive Officer	8.39%
Naseem Saigol	Key management personnel	Director	27.27%
M. Azam Saigol	Key management personnel	Director(late)	0.00%
M. Murad Saigol	Key management personnel	Director	8.37%
Samir Iqbal Saigol	Key management personnel	Director	0.004%
Mrs. Sehry Saigol	Close relative	Spouse of director	7.30%
Amber Haroon Saigol	Close relative	Spouse of director	16.93%

Transactions with directors and their family members are limited to provision of long term and temporary short term loans to the Company. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. Details of transactions and balances with related parties is as follows:

		Nine month ended	
		September 30, 2025	
		Rupees	Rupees
		[Un-Audited]	[Un-Audited]
<b>13.1 Transactions with related parties</b>			
Nature of relationship	Nature of transaction		
Key management personnel	Remuneration	1,150,002	4,600,008
	Perquisites	575,000	2,299,992
	Meeting fee	60,000	60,000
		September 30, 2025	June 30, 2025
		Rupees	Rupees
		[Un-Audited]	[Audited]

<b>13.2 Balances with related parties</b>			
Nature of relationship	Nature of balance		
Close relative of KMP	Long term loans	213,354,966	213,354,966
Key management personnel	Long term loans	603,450,000	603,450,000
	Short term borrowings		-
	Short-term employee benefits payable	660,000	660,000
Associated company	Generator rent payable	15,023,925	15,023,925

### 14 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

### 15 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

### 16 GENERAL

16.1 There are no other significant activities since 30 June 2025 affecting the interim financial statements.

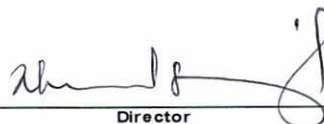
16.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.



Chief Executive



Chief Financial Officer



Director