

(Un-Audited)
Interim Financial Report
For The Half Year Ended
December 31, 2025

Khalid Siraj
Textile Mills Limited





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Khalid Siraj Textile Mills Limited

COMPANY INFORMATION

Chairman	-	Mian Iqbal Barkat
Chief Executive Officer		
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
s	-	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 Email: kstmlspinning@outlook.com
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.



Khalid Siraj Textile Mills Limited

DIRECTORS REPORT

Dear Members

The Board of Directors of your Company is pleased to present their report together with the Condensed Interim Financial Information (Un-Audited) for the 2nd quarter ended December 31, 2025 before you..

	Half Year Ended		Half Year Ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees	Rupees	Rupees
Sales	-	-	-	-
Admin. Expenses	(1,518,201)	(1,165,663)	(989,534)	(624,304)
Other Operating Expenses	(9,575,079)	(10,624,700)	(4,787,540)	(5,312,348)
Finance costs	(4,681)	-	(4,648)	-
Taxation	2,372,713	2,632,396	1,186,357	1,316,198
Loss after taxation	(8,725,248)	(9,157,967)	(4,595,365)	(4,620,454)
(Loss)/Earnings per share (basic and diluted)	(0.82)	(0.86)	(0.43)	(0.43)

During the period under review, the Company has incurred loss of Rs.8.725 million (Dec 2025:Rs.9.158 million) resulting in accumulated losses of Rs.399.207 million (30 Jun 2025:Rs.399.195 million) at the close of the quarter ended December 31, 2025.

Future Outlook:

The current closure of mill production due to economic challenges like recession, inflation, and high electricity rates presents significant operational and financial implications. We are taking proactive steps to navigate this period and position the company for future growth.

Acknowledgement:

We are grateful to all our stakeholders exclusively the bankers for their ongoing support and the employees of the company for their commitment and hard work.

Mian Iqbal Barkat
Chief Executive Officer

For and on behalf of the Board

Mian Hassan Barkat
Director

Lahore:

Dated: February 27, 2026



Khalid Siraj Textile Mills Limited



Sheikh & Chaudhri
Chartered Accountants

Lahore Office: Corporate Avenue, 32-A, Jail Road, Lahore.

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lahore@3epakistan.com

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHALID SIRAJ TEXTILE MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of "KHALID SIRAJ TEXTILE MILLS LIMITED" as at 31 December 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with notes forming part thereof (here-in-after referred to as the interim financial statements) for the half year period ended. Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figure for the condensed interim statement of profit or loss and other comprehensive income for the quarter ended 31 December 2025 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2025.

SCOPE OF REVIEW

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by independent Auditor of the Entity." Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. However, because of the matters described in the basis of disclaimer section of our report we were unable to conduct significant review procedure that we considered necessary to express a conclusion on the condensed interim financial information.

BASIS FOR DISCLAIMER OF CONCLUSION

(a) The Company has ceased its manufacturing operations in Nov 2013 and has also cancelled its lease agreement for manufacturing facility in the prior years. The Company has incurred a net loss of Rs. 8.726 million (Dec 2024: Rs. 9.158 million) resulting in accumulated losses of Rs. 399.207 million (30 June 2025: Rs. 399.196 million) at the close of the half year ended 31 Dec 2025. The Company's current liabilities exceed its current assets by Rs. 184.547 million (30 June 2025: Rs. 183.024 million). Moreover, short term borrowings from financial institutions remained unpaid along with accrued markup which is in litigation, Based on the audit evidence obtained, we believe that the Company will not be able to meet its obligations in the ordinary course of business. Accordingly, we do not agree with management's preparation and presentation of the financial statements on a going concern basis. However, the financial statements, are prepared on going concern basis. Had the financial statements been prepared on a non-going concern basis of accounting, we believe that it would have had a significant negative effect on the Company's financial position and financial 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, which the Company has not recognized due to ongoing disputes with financial institutions. 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 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.





Khalid Siraj Textile Mills Limited

- d) We were unable to obtain sufficient appropriate audit evidence regarding long-term finances amounting to Rs. 153.896 million and their related terms, 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. 78.887 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, contingencies and commitments, long-term deposits amounting to Rs. 6.348 million, trade deposits and short-term prepayments amounting to Rs. 0.507 million, deferred liabilities amounting to Rs. 37.420 million, cash and bank balances amounting to Rs. 0.039 million and tax refunds due from the government amounting to Rs. 0.0546 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. 283.545 million, 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).

DISCLAIMER OF CONCLUSION

Due to the significance of the matters described in the basis for disclaimer of conclusion paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim financial information. Accordingly, we do not express a conclusion on these condensed interim financial information.



SHEIKH & CHAUDHRI
Chartered Accountants
Lahore, Pakistan

Date: February 21, 2026
UDIN: RR202510306BZnP1hglz

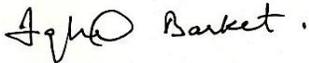


Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 DECEMBER 2025

		Un-Audited 31-Dec-25 Rupees	Audited 30-Jun-25 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,000,000 (30 June 2025: 12,000,000) ordinary shares of Rs. 10 each		120,000,000	120,000,000
Share capital	5	107,000,000	107,000,000
Accumulated loss		(399,206,831)	(399,195,165)
Surplus on revaluation of property, plant and equipment		206,237,167	214,950,749
		(85,969,664)	(77,244,416)
Non-current liabilities			
Long-term finances	6	153,895,767	153,895,767
Deferred liabilities		37,420,162	39,792,875
		191,315,929	193,688,642
Current liabilities			
Trade and other payables		78,887,243	77,341,802
Unclaimed Dividend	7	24,058,182	24,058,182
Mark-up accrued		16,790,575	16,790,575
Income tax liability		249,659	249,659
Short-term borrowings		68,180,179	68,180,179
		188,165,838	186,620,397
Contingencies and commitments			
		-	-
		293,512,103	303,064,623
ASSETS			
Non-current assets			
Property, plant and equipment	8	283,544,832	293,119,911
Long-term deposits		6,348,000	6,348,000
		289,892,832	299,467,911
Current assets			
Stores, spare parts and loose tools		3,018,542	3,018,542
Tax refunds due from government		54,607	54,607
Trade deposits and short-term prepayments		507,100	507,100
Cash and bank balances		39,022	16,463
		3,619,271	3,596,712
		293,512,103	303,064,623

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

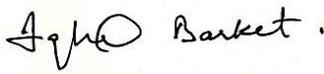


Khalid Siraj Textile Mills Limited

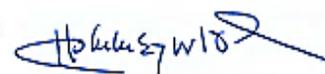
KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

	Half Year Ended		Quarter Ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees	Rupees	Rupees
Sales	-	-	-	-
Other operating expenses				
Administrative & general expenses	(1,518,201)	(1,165,663)	(989,534)	(624,304)
Other Operating Expenses	(9,575,079)	(10,624,700)	(4,787,540)	(5,312,348)
	(11,093,280)	(11,790,363)	(5,777,074)	(5,936,652)
Finance costs	(4,681)	-	(4,648)	-
	(11,097,961)	(11,790,363)	(5,781,722)	(5,936,652)
Loss before taxation	(11,097,961)	(11,790,363)	(5,781,722)	(5,936,652)
Taxation	2,372,713	2,632,396	1,186,357	1,316,198
Loss after taxation	(8,725,248)	(9,157,967)	(4,595,365)	(4,620,454)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	(8,725,248)	(9,157,967)	(4,595,365)	(4,620,454)
(Loss)/Earnings per share (basic and diluted)	(0.82)	(0.86)	(0.43)	(0.43)

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

 Barkat

CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

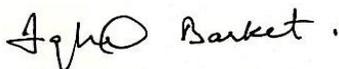


Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

	Share capital	Accumulated Loss	Revaluation surplus on property, plant and equipment	Total Equity
	----- Rupees -----			
Balance as at June 30, 2024	107,000,000	(392,762,091)	227,840,413	(57,921,678)
<i>Total comprehensive loss for the six months period ended 31 December 2024</i>				
Loss for the period	-	(9,157,967)	-	(9,157,967)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	5,809,057	(5,809,057)	-
Balance as at 31 December 2024	107,000,000	(396,111,001)	222,031,356	(67,079,645)
<i>Total comprehensive loss for the six months period ended 30 June 2025</i>				
Loss for the period	-	(10,164,773)	-	(10,164,773)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	7,080,610	(7,080,610)	-
Balance as at 30 June 2025	107,000,000	(399,195,164)	214,950,749	(77,244,415)
<i>Total comprehensive loss for the six months period ended 31 December 2025</i>				
Loss for the period	-	(8,725,248)	-	(8,725,248)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	8,713,582	(8,713,582)	-
Balance as at 31 December 2025	107,000,000	(399,206,830)	206,237,167	(85,969,663)

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

	Half Year Ended	
	31-Dec-25	31-Dec-24
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(11,097,961)	(11,790,364)
Adjustment for non-cash charges/items:		
Depreciation of property, plant and equipment	9,575,080	10,624,700
Finance cost	4,681	-
	9,579,761	10,624,700
Loss before working capital changes	(1,518,200)	(1,165,664)
Working capital changes		
Decrease / (increase) in current liabilities		
Trade and other payables	1,545,440	(2,646,574)
Cash (used in) operations	27,240	(3,812,238)
Income taxes paid	-	(108,033)
Finance cost paid	(4,681)	-
Net cash (used in) operating activities	22,559	(3,920,271)
Cash flows from financing activities		
Repayments of long-term finances	-	3,850,434
Proceeds of short-term borrowings	-	69,837
Net cash flows from financing activities	-	3,920,271
Net increase/(decrease) in cash and cash equivalents	22,559	-
Cash and cash equivalents at beginning of the period	16,463	7,384
Cash and cash equivalents at end of the period	39,022	7,384

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

1 STATUS AND ACTIVITIES

1.1 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.

Registered office of the Company is situated at 135, Upper Mall, Lahore. The project of the Company is located at 48 KM, Lahore Multan Road, Phool Nagar (Bhai Pheru), Tehsil Pattoki, District Kasur.

The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations.

1.2 Going concern assumption

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company incurred a net loss for the period ended of Rs. 8.276 million (Dec 2024: Rs. 9.158 million resulting in accumulated losses at the end of the period of Rs. 399.207 million (June 2025: Rs. 399.196 million at the close of the half year ended 31 Dec 2025. The Company's current liabilities exceed its current assets at reporting date by Rs. 184.547 million (June 2025: Rs. 183.024 million).

The Company has ceased its operations since November 2013 and has also cancelled its lease agreement for manufacturing facility in the prior years. 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.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting' 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 IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2025.



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statements, all the transactions have been accounted for on accrual basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2025.

5 SHARE CAPITAL

Authorized capital

Ordinary shares of Rs. 10 each

Un-Audited 31-Dec-25 Rupees	Audited 30-Jun-25 Rupees
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120,000,000	120,000,000
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Issued, subscribed and paid-up share capital

10,000,000 (June 30, 2025: 10,000,000) ordinary shares of Rs 10/- each fully paid in cash

100,000,000	100,000,000
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700,000 (June 30, 2025: 700,000) ordinary shares of Rs 10/- each fully paid as bonus shares

7,000,000	7,000,000
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107,000,000	107,000,000
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6 LONG TERM FINANCES

From related parties (current and prior) - unsecured

Ex-directors - note 6.1

153,895,767	149,975,333
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153,895,767	149,975,333
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6.1 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.

6.2 These are classified as 'financial liabilities' under IFRS 9 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these long term loans have no fixed maturity date as discussed above, are carried at cost as their amortized cost is impracticable to determine.



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2025

	Un-Audited	Audited
	31-Dec-25	30-Jun-25
	Rupees	Rupees
7 UNCLAIMED DIVIDEND		
Sponsors' uncalled dividends	24,058,182	24,058,182
7.1	These represents uncalled dividends by sponsors of the Company. The above uncalled dividend alongwith loans from sponsors is subjudice before the Honorable Lahore High Court, Lahore.	
8 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	314,369,312	337,949,921
Add: Addition during the period	-	-
Less: Depreciation	9,575,079	23,580,609
Book value as at period end	304,794,233	314,369,312

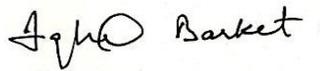
9 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on February 27, 2026.

10 CORRESPONDING FIGURES

10.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.

10.2 Figures have been rounded off to the nearest of rupees.


Chief Executive Officer


Director


Chief Financial Officer



Khalid Siraj Textile Mills Limited

KSTML.COM.PK

**KHALID SIRAJ
TEXTILE MILLS LIMITED
135-Upper Mall,
Lahore, Pakistan.
Tel: +92 42 35761706-07**