

# **SARITOW SPINNING MILLS LIMITED**

**3<sup>RD</sup> QUARTER REPORT**

**31-03-2026**

**(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 Saritow Spinning Mills Limited are please to present Financial Results for the 3<sup>rd</sup> Quarter ended March 31, 2026 along with Auditors' Report and Directors' Report thereupon.

### **Financial Highlights**

	<b>Quarter Ending Mar 31, 2026</b>	<b>Quarter Ending Mar 31,2025</b>
Net Sales	0	0
Gross (Loss)	(16.501)	(20.540)
Operating (Loss)	(24.179)	(27.866)
(Loss) after Tax	(26.522)	(26.711)
Earnings per share	(01.86)	(0.90)

### **Operating Financial Results**

During the period under Review your Company remained 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 lossmaking 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 by Share Holders in extra ordinary general meeting 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.

### **Operating Financial Results**

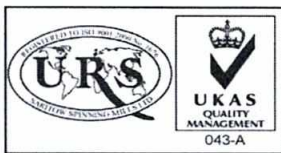
The Board approves the Alternate Business Plan for the revival of the Company, whereby the Company's idle spinning mill building will be repurposed into warehousing (godown) facilities for rental income. The Board endorses the strategy to convert the existing factory infrastructure into approximately 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").

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

### **Operating Financial Results**

The Audition of the company have qualified the report for going concern. They have mentioned that the company is unable to run without further financial support of the Sponsors and Financial Institution.

However, the financial statement has been prepared on going concern basis, based on the following assumption.



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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").

## **Assumption of going concern: -**

Up to year end the company has paid of all the liability towards financial institution along with markup. Third-party liabilities are paid off except of directors' loan.

That in view of afore mentioned, the company will be able to continue as going concern despite accumulated losses company have positive equity.

Company remains current in its debts.

The management believes.

## **Future Outlook**

As explained above the Godown rental agreement with prospective tenants is at the moment in final stages. We hope rental income will start from the month of April. We do hope that the new business plan will work and be able to safeguard the interest of Share Holders and earn profits.

## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

<b>Names</b>	<b>Category</b>
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	



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## **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  
April 30, 2026

  
\_\_\_\_\_  
**M. Zeid Yousuf Saigol**  
Chief Executive

  
\_\_\_\_\_  
**M. Murad Saigol**  
Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2026

	<i>Note</i>	March 31, 2026 <i>Rupees</i> [Un-Audited]	June 30, 2025 <i>Rupees</i> [Audited]
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>		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		(887,353,189)	(807,934,937)
<b>TOTAL EQUITY</b>	-	<b>33,524,659</b>	<b>112,942,911</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits		15,347,088	19,273,009
<b>CURRENT LIABILITIES</b>			
Trade and other payables		527,077,542	285,535,300
Unclaimed dividend		485,351	485,351
Short term borrowings		576,359,966	817,586,019
		<b>1,103,922,859</b>	<b>1,103,606,670</b>
<b>TOTAL LIABILITIES</b>		<b>1,119,269,947</b>	<b>1,122,879,679</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,152,794,606</b>	<b>1,235,822,590</b>

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Chief Executive	 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Chief Financial Officer	 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Director
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# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2026

	Note	March 31, 2026 Rupees [Un-Audited]	June 30, 2025 Rupees [Audited]
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,122,076,499	1,198,120,499
Long term deposits		13,756,860	13,756,860
		1,135,833,359	1,211,877,359
<b>CURRENT ASSETS</b>			
Stores and spares		10,478,617	10,478,617
Short term advances			3,049,000
Short term deposits and prepayments			3,275,544
Sales taxrefundable / adjustable		2,500,000	1,206,970
Cash and bank balances		3,982,630	5,935,100
		16,961,247	23,945,231
<b>TOTAL ASSETS</b>		<b>1,152,794,606</b>	<b>1,235,822,590</b>

The annexed notes from 1 to 17 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 NINE MONTH ENDED 31 MARCH 2026

	Note	Nine months ended		Quarter ended	
		March 31,2026 Rupees	March 31,2025 Rupees	March 31,2026 Rupees	March 31,2025 Rupees
Revenue from contracts with customers - net		-			
Cost of sales	12	60,395,183	62,168,672	16,501,713	20,540,208
<b>Gross (loss)/profit</b>		<b>(60,395,183)</b>	<b>(62,168,672)</b>	<b>(16,501,713)</b>	<b>(20,540,208)</b>
Selling and distribution expenses		429,480	886,088	7,534,408	165,568
Administrative expenses		18,451,610	17,294,109	143,160	6,005,255
		18,881,090	18,180,197	7,677,568	6,170,823
Other income		1,376,926			
<b>Operating (loss)/profit</b>		<b>(77,899,347)</b>	<b>(80,348,869)</b>	<b>(24,179,281)</b>	<b>(26,711,031)</b>
Finance cost		1,518,905	2,311,165	(1,473,314)	
<b>(Loss)/profit before taxation</b>		<b>(79,418,252)</b>	<b>(82,660,034)</b>	<b>(25,652,595)</b>	<b>(26,711,031)</b>
Provision for taxation					
<b>(Loss)/profit after taxation</b>		<b>(79,418,252)</b>	<b>(82,660,034)</b>	<b>(25,652,595)</b>	<b>(26,711,031)</b>
<b>(Loss)/earnings per share - basic and diluted</b>		<b>(2.66)</b>	<b>(2.77)</b>	<b>(0.86)</b>	<b>(0.90)</b>

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2026

	Nine-month period ended		Three-month period ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Rupees	Rupees	Rupees	Rupees
Other comprehensive income	-	-	-	-
(Loss)/profit after taxation	(79,418,252)	(82,660,034)	(25,652,595)	(26,711,031)
<b>Total comprehensive (loss)/income</b>	<b>(79,418,252)</b>	<b>(82,660,034)</b>	<b>(25,652,595)</b>	<b>(26,711,031)</b>

The annexed notes from 1 to 17 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 NINE MONTH ENDED MARCH 31,2026

	Share capital		Capital reserves		
	Issued share capital	Loan from director	Revaluation reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>As at 01 July 2024- [Audited]</b>	298,406,070	102,000,000	65,433,957	(209,149,499)	256,690,528
<b>Comprehensive income</b>					
Profit/(loss) after taxation	-	-	-	(598,204,936)	(598,204,936)
Other comprehensive income	-	-	558,213,316	(1,755,997)	556,457,319
<b>Total comprehensive income</b>	-	-	558,213,316	(599,960,933)	(41,747,617)
<b>Incremental depreciation</b>	-	-	(1,175,495)	1,175,495	-
Loans transferred to short term borrowing	-	(102,000,000)	-	-	(102,000,000)
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at 30 June 2025 - [Audited]</b>	298,406,070	-	622,471,778	(807,934,937)	112,942,911
<b>As at 01 July 2025 - [Audited]</b>	298,406,070	-	622,471,778	(807,934,937)	112,942,911
<b>Comprehensive income</b>					
Profit / Loss after taxation	-	-	-	(79,418,252)	(79,418,252)
Other comprehensive loss	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(79,418,252)	(79,418,252)
<b>Incremental depreciation</b>	-	-	-	-	-
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at 31 March 2026 - [Un-Audited]</b>	298,406,070	-	622,471,778	(887,353,189)	33,524,659

The annexed notes from 1 to 17 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 NINE MONTH ENDED MARCH 31, 2026

	Ninth-month period ended	
	March 31, 2026	March 31, 2025
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(79,418,252)	(82,660,034)
<b>Adjustments for non-cash items</b>		
Depreciation	27,881,897	42,478,422
Provision for employees retirement benefits	-	18,583,008
Interest on borrowings	1,518,905	94,740,618
Impairment reversal for expected credit losses		
	29,400,802	155,802,048
<b>Operating (loss)/profit before changes in working capital</b>	<b>(50,017,450)</b>	<b>73,142,014</b>
<b>Changes in working capital</b>		
Long term deposits	-	1,404,708
Stores and spares		333,578,709
Stock in trade		76,944,290
Trade receivables	3,049,000	
Short term deposits	3,275,544	
Advances and other receivables	(1,293,030)	5,386,901
Trade and other payables	242,757,357	(78,660,179)
Long term payables		
	247,788,871	338,654,429
<b>Net cash used in from operations</b>	<b>197,771,421</b>	<b>411,796,443</b>
<b>Payments for:</b>		
Interest on borrowings	(1,518,905)	(108,930,675)
Income tax		(11,366,984)
Employees retirement benefits	(3,925,921)	(94,344,520)
<b>Net cash used in operating activities</b>	<b>192,326,595</b>	<b>197,154,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment		(4,706,868)
Proceeds from disposal of property, plant and equipment	50,000,000	4,570,359
<b>Net cash used in investing activities</b>	<b>50,000,000</b>	<b>(136,509)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances		(20,260,760)
Repayment of long term payable		449,100,000
Net increase/(decrease) in short term borrowings	(244,279,065)	(446,691,070)
<b>Net cash generated from financing activities</b>	<b>(244,279,065)</b>	<b>(17,851,830)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,952,470)</b>	<b>179,165,925</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5,935,100</b>	<b>46,539,850</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,982,630</b>	<b>225,705,775</b>

The annexed notes from 1 to 17 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 THIRD QUARTER ENDED MARCH 31, 2026

### 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 10 G- Mushtaq Ahmad Gurmani Road Gulberg II 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 Quarterly accounts 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.

#### 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. 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. During the reporting period, 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.

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE THIRD QUARTER ENDED MARCH 31, 2026

### 2.5 Functional currency

These quarterly accounts 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 quarterly accounts have been approved by the Board of Directors of the Company and authorized for issue on 30 th April 2026

### 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 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']:

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE THIRD QUARTER ENDED MARCH 31, 2026

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-23: one year KIBOR plus 2.5%) per annum, payable on maturity. The lenders may at their sole discretion waive the payment of interest. During the period, interest amounting to Rs. 47.859 million (30-Jun-23: Rs. 68.52 million) was waived by the lenders at their sole discretion.

	<i>Note</i>	<b>March 31, 2026</b>	<b>June 30, 2025</b>
		<i>Rupees</i>	<i>Rupees</i>
		[Un-Audited]	[Audited]
<b>8 LONG TERM FINANCES</b>			
<b>From banking companies</b>			
Term Finance			-
TERF - I			-
TERF - II			-
As at end of the period/year		-	-
Current maturity presented under current liabilities			-
		-	-

### 9 CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

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

#### 9.2 Commitments

	<b>March 31, 2026</b>	<b>June 30, 2025</b>
	<i>Rupees</i>	<i>Rupees</i>
	[Un-Audited]	[Audited]
<b>9.2.1 Commitments under irrevocable letters of credit for :</b>		
- purchase of raw material	-	-
- purchase of stores and spares	-	-
	-	-

### 10 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	1,122,076,499	1,198,120,499
Capital work in progress	-	-
	<b>1,122,076,499</b>	<b>1,198,120,499</b>

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE THIRD QUARTER ENDED MARCH 31,2026

Note	Nine months ended		Quarter ended	
	March 31,2026	March 31,2025	March 31,2026	March 31,2025
	Rupees	Rupees	Rupees	Rupees
	[Un-Audited]	[Un-Audited]	[Un-Audited]	[Un-Audited]
<b>11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>				
Yarn	-	-	-	-
Waste	-	-	-	-
	-	-	-	-
<b>12 COST OF SALES</b>				
Raw material consumed				
Stores and spares consumed				
Salaries, wages and benefits	22,570,661	20,417,291	7,846,513	6,731,700
Insurance	983,626	1,947,996	270,504	644,374
Depreciation	27,881,897	39,014,707	7,194,551	13,004,904
Fuel and power	8,526,809		2,984,705	
Other manufacturing overheads	432,190	788,678	205,440	159,230
Manufacturing cost	60,395,183	62,168,672	18,501,713	20,540,208
Work in process				
as at beginning of the period			-	-
as at end of the period			-	-
	-	-	-	-
Cost of goods manufactured	60,395,183	62,168,672	18,501,713	20,540,208
Finished goods				
as at beginning of the period				
as at end of the period				
	-	-	-	-
	60,395,183	62,168,672	18,501,713	20,540,208
<b>13 PROVISION FOR TAXATION</b>				
Current taxation	13.1	-	-	-
Deferred taxation	13.2	-	-	-
		-	-	-

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

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

### 14 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:

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	24.28%
Naseem Saigol	Key management personnel	Director	27.27%
M. Murad Saigol	Key management personnel	Director	8.37%
Samir Iqbal Saigol	Key management personnel	Director	0.0038%
Omer Farooq	Key management personnel	Director	0.00%
Sadaf Kashif	Independent director	Director	0.0017%
Mr. Jamal Naseem	Independent director	Director	0.0017%
Amber Haroon Saigol	Close relative of KMP	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

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE THIRD QUARTER ENDED MARCH 31,2026

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	
		March 31,2026	March 31,2025
		<i>Rupees</i>	<i>Rupees</i>
		[Un-Audited]	[Un-Audited]
<b>14.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Key management personnel	Short term employee benefits Post employment benefits		
Associated company	Generator rent		
		March 31,2026	June 30,2025
		<i>Rupees</i>	<i>Rupees</i>
		[Un-Audited]	[Audited]
<b>14.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balance</b>		
Key management personnel	Long term loans		202,350,000
	Short term borrowings	576,359,966	-
	Short-term employee benefits payable	575,000	660,000
	Post employment benefits payable	1,714,500	14,900,373
Associated company	Generator rent payable	15,023,925	15,023,925

### 15 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.

### 16 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.

### 17 GENERAL

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

17.2 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