

39th
Annual Report
2026

Khalid Siraj
Textile Mills Limited





Khalid Siraj Textile Mills Limited

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Khalid Siraj Textile Mills Limited

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 - 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 Email: kstmlspinning@outlook.com
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.



Khalid Siraj Textile Mills Limited

Chairman's Review Report

Dear Members:

On behalf of the Board of Directors, I welcome you to the 39th Annual General Meeting of Khalid Siraj Textile Mills Limited and present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2026. It is with a heavy heart that I have to report that this has been the most difficult year for Pakistan's textile industry, and for our Company as well.

The textile sector, which is the backbone of Pakistan's exports and provides employment to millions, is passing through its worst ever crisis. Many renowned mills have already closed, and many are on the verge of closure. Our Company is no exception. During the year, we were compelled to take the painful decision to suspend / close our mill operations. This decision was not taken lightly, but was unavoidable to protect the shareholders' equity from further erosion. Two major factors have made textile manufacturing completely unviable in Pakistan.

Due to closure, the Company incurred a net loss of Rs. 19,354 million (Jun 2026: Rs.19.323 million). During the year, mainly on account of fixed expenses, depreciation, and financial charges. The Board decided not to recommend any dividend due to losses.

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, 2026



Khalid Siraj Textile Mills Limited

چیئرمین کی جائزہ رپورٹ

پیارے ممبران:

بورڈ آف ڈائریکٹرز کی جانب سے، دستخط کنندہ کو 30 جون 2026 کو ختم ہونے والے مالی سال کی 39 ویں (انتالیسویں) سالانہ رپورٹ، اس پر آڈیٹرز کی رپورٹ کے ہمراہ، آپ کے سامنے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

ٹیکسٹائل کا شعبہ، جو پاکستان کی برآمدات کی ریڑھ کی ہڈی کی حیثیت رکھتا ہے اور لاکھوں لوگوں کو روزگار فراہم کرتا ہے، اس وقت اپنی تاریخ کے بدترین بحران سے گزر رہا ہے۔ بہت سی نامور ملیں پہلے ہی بند ہو چکی ہیں اور کئی دیگر بندش کے دہانے پر ہیں۔ ہماری کمپنی بھی اس صورتحال سے مستثنیٰ نہیں ہے۔ سال کے دوران، ہمیں اپنی مل کے آپریشنز (کام کاج) کو معطل یا بند کرنے کا تکلیف دہ فیصلہ کرنے پر مجبور ہونا پڑا۔ یہ فیصلہ ہلکے پھلکے انداز میں نہیں کیا گیا، بلکہ شیئر ہولڈرز کے سرمائے کو مزید نقصان سے بچانے کے لیے یہ ناگزیر تھا۔ دو بڑے عوامل نے پاکستان میں ٹیکسٹائل کی تیاری کے عمل کو مکمل طور پر ناقابلِ عمل بنا دیا ہے

بندش کے باعث کمپنی کو 19,354 ملین روپے کا خالص نقصان ہوا (جون 2026: 19,323 ملین روپے)؛ یہ نقصان سال کے دوران بنیادی طور پر مستقل اخراجات، فرسودگی اور مالیاتی اخراجات کی وجہ سے ہوا۔ نقصانات کے پیشِ نظر بورڈ نے کسی بھی قسم کے منافعِ حصص کی سفارش نہ کرنے کا فیصلہ کیا۔

بورڈ نے متعلقہ قوانین اور ضوابط کے مطابق اپنے تمام اختیارات کا استعمال کیا ہے اور کمپنی کے اہم فیصلوں میں بورڈ کے تمام ارکان مساوی طور پر شامل ہیں۔ امید ہے کہ آنے والے برسوں میں ان کی کارکردگی مزید بہتر ہوگی۔

منجانب : بورڈ آف ڈائریکٹرز

Aqmal Banket .

Hussain W18

میاں اقبال برکت
چیف ایگزیکٹو آفیسر

میاں حسن برکت
ڈائریکٹر

لاہور: 3 اکتوبر 2026



Khalid Siraj Textile Mills Limited

Directors' Report

Dear Shareholders:

On behalf of the Board of Directors the undersigned takes pleasure to present before you the 39th (thirty ninth) Annual Report for the financial year ended June 30, 2026 along with Auditors' Report thereon.

Overview - Performance Review

The principal activity of the Company is manufacturing and sale of yarn. During the year under review, the textile sector of Pakistan faced the worst crisis in history. Due to reasons explained below, the mill operations remained closed / suspended during the year. The management decided to close the mill operation temporarily to avoid further huge losses. The summary of operational performance is as under:

The financial results in a summarized form are given hereunder:

APPROPRIATIONS:	2026	2025
	----- Rupees -----	
Other operating income	45,150,000	-
Profit / (Loss) before taxation	11,823,953	(24,587,530)
Taxation	7,743,530	5,264,792
Profit / (Loss) after taxation	19,567,483	(19,322,738)
Other comprehensive income for the year	135,279,363	-
Total comprehensive income / (loss) for the year	154,846,846	(19,322,738)
(Loss)/Earnings per share(basic and diluted)	1.83	(1.81)

Charts of Significant Ratios and comparison with previous years

(All amounts in thousand)

	2026	2025	2024	2023	2022
Turnover (Net)	-	-	-	-	-
Profit/Loss before taxation	11,824	(24,588)	(6,951)	635	1,871
Profit/Loss after taxation	19,567	(19,323)	(13,725)	329	409
Paid up capital	107,000	107,000	107,000	107,000	107,000
Owner's equity (ordinary shareholders)	77,602	(77,244)	(57,922)	(44,197)	(44,526)
Breakup value of share of Rs. 10 each	7.25	(7.22)	(5.41)	(4.13)	(4.16)
Earnings/(Loss) per share-basic	1.83	(1.81)	(1.28)	0.03	0.04
Total assets	464,160	303,065	348,380	375,130	408,632

Future Outlook:

The management is closely monitoring the situation. The future of textile sector depends on reduction in electricity tariff to regionally competitive level (9 cents), reduction in SBP policy rate to single digit, and government support for revival of sick textile units. The Directors are considering various options including toll manufacturing, renting of premises to generate revenue to meet fixed costs until viable operations can be resumed. We are hopeful that conditions will improve in next fiscal year. The management is confident that the company shall be able to improve its operational performance and going forward.



Khalid Siraj Textile Mills Limited

The management of the company is determined and optimistic 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, four (4) meeting of Board of Directors were held and the attendance of Directors were as under:-

1. Mr. Mian Iqbal Barkat	04 Nos.
2. Mr. Mian Hassan Barkat	04 Nos.
3. Mrs. Abida Iqbal	02 Nos.
4. Mrs. Rafia Hassan	02 Nos.
5. Mr. Muhammad Musaddaq	04 Nos.
6. Mr. Abdul Razzaq Khan	04 Nos.
7. Mr. Muhammad Umair Younas Lone	04 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.



Khalid Siraj Textile Mills Limited

Four (4) meeting of audit committee were held during the year. Attendance by each member was as follows:-

Mian Hassan Barkat	Chairman	04 Nos.
Mian Iqbal Barkat	Member	04 Nos.
Abida Iqbal	Member	04 Nos.

HR Committee Meetings

one (1) meetings of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Muhammad Musaddaq	Chairman	01 No.
Muhammad Umair Younas Lone	Member	01 No.
Rafia Hassan	Member	01 No.

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 2026.

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, 2026.

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

The information under this head as on June 30, 2026 is annexed.



Khalid Siraj Textile Mills Limited

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

Mian Iqbal Barkat
Chief Executive Officer

Mian Hassan Barkat
Director

Lahore: October 03, 2026



Khalid Siraj Textile Mills Limited

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے، دستخط کنندہ کو 30 جون 2026 کو ختم ہونے والے مالی سال کی 39 ویں (انتالیسویں) سالانہ رپورٹ، اس پر آڈیٹرز کی رپورٹ کے ہمراہ، آپ کے سامنے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

جائزہ - کارکردگی کا جائزہ

کمپنی کا بنیادی کاروبار دھاگے کی تیاری اور فروخت ہے۔ زیر جائزہ سال کے دوران، پاکستان کے ٹیکسٹائل کے شعبے کو تاریخ کے بدترین بحران کا سامنا کرنا پڑا۔ ذیل میں بیان کردہ وجوہات کی بنا پر، سال بھر مل کا کام بند یا معطل رہا۔ انتظامیہ نے مزید بھاری نقصانات سے بچنے کے لیے مل کا کام عارضی طور پر بند کرنے کا فیصلہ کیا۔ آپریشنل کارکردگی کا خلاصہ حسب ذیل ہے:

مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

APPROPRIATIONS:

	2026	2025
	----- Rupees -----	
Other operating income	45,150,000	-
Profit / (Loss) before taxation	11,823,953	(24,587,530)
Taxation	7,743,530	5,264,792
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Paid up capital	107,000	107,000	107,000	107,000	107,000
Owner's equity (ordinary shareholders)	77,602	(77,244)	(57,922)	(44,197)	(44,526)
Breakup value of share of Rs. 10 each	7.25	(7.22)	(5.41)	(4.13)	(4.16)
Earnings/(Loss) per share-basic	1.83	(1.81)	(1.28)	0.03	0.04
Total assets	464,160	303,065	348,380	375,130	408,632

مستقبل کا منظر نامہ:

انتظامیہ صورتحال پر گہری نظر رکھے ہوئے ہے۔ ٹیکسٹائل سیکٹر کا مستقبل بجلی کے نرخوں میں علاقائی مسابقتی سطح (9 سینٹس) تک کمی، اسٹیٹ بینک کی پالیسی ریٹ کو سنگل ڈیجٹ تک کم کرنے اور بیمار ٹیکسٹائل یونٹس کی بحالی کے لیے حکومتی تعاون پر منحصر ہے۔ ڈائریکٹر مختلف آپشنز پر غور کر رہے ہیں جن میں ٹول مینوفیکچرنگ، احاطے کو کرایہ پر دینا شامل ہے تاکہ مقررہ لاگت کو پورا کرنے کے لیے ریونیو حاصل کیا جاسکے جب تک کہ قابل عمل کام دوبارہ شروع نہ ہو جائیں۔ ہمیں امید ہے کہ اگلے مالی سال میں حالات بہتر ہوں گے۔ انتظامیہ کو یقین ہے کہ کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور آگے بڑھنے میں کامیاب ہوگی۔



Khalid Siraj Textile Mills Limited

کمپنی کی انتظامیہ اس یونٹ کو مستقبل میں قابل عمل، فعال اور منافع بخش بنانے کے لیے پرعزم اور پرامید ہے۔ ہمیں امید ہے کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل کے شعبے کو فراہم کی جانے والی سہولیات کمپنی کے لیے سودمند نتائج کی حامل ہوں گی۔

کارپوریٹ گورننس:

خالد سراج ٹیکسٹائل ملز لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کی انتظامیہ، ایس ای سی پی کی جانب سے اسٹاک ایکسچینجز کے لسٹنگ ضوابط میں شامل 'کارپوریٹ گورننس کے ضابطہ کار' کے تحت عائد ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔

کارپوریٹ گورننس کے ضابطے کی تعمیل میں، ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ: کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو (نقدی کے بہاؤ) اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔ کمپنی نے کھاتوں کے مناسب ریکارڈز برقرار رکھے ہیں۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔ مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق 'بین الاقوامی مالیاتی رپورٹنگ کے معیارات' کی پیروی کی گئی ہے۔

اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے مؤثر طریقے سے نافذ اور مانیتئر کیا گیا ہے۔ کمپنی کی بطور 'گوینگ کنسرن' (یعنی کاروبار جاری رکھنے والے ادارے کے طور پر) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شکوک و شبہات نہیں ہیں، تاہم اکاؤنٹس کے نوٹس (وضاحتی گوشواروں) کے نوٹ نمبر 3 میں غیر یقینی حالات کا ذکر کیا گیا ہے۔ کمپنی میں بطور 'گوینگ کنسرن' کام جاری رکھنے کی مستحکم صلاحیت موجود ہے۔ ٹیکسوں، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی ایسی قانونی ادائیگیاں واجب الادا نہیں ہیں جو بقایا ہوں، سوائے ان کے جن کا ذکر منسلک مالیاتی گوشواروں میں کیا گیا ہے۔

بورڈ آف ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز کا کوئی لین دین نہیں کیا سوائے اس کے کہ "شیئر ہولڈنگ کے پیٹرن" میں مذکور ہے۔

کمپنی کے گزشتہ پانچ سالوں کے کلیدی آپریٹنگ تناسب اور مالیاتی نتائج منسلک ہیں۔ زیرِ جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل تھی:

1	جناب میاں اقبال برکت	عدد 04
2	جناب میاں حسن برکت	عدد 04
3	بیگم عابدہ اقبال	عدد 02
4	بیگم رافیہ حسن	عدد 02
5	جناب محمد مصدق	عدد 04
6	جناب عبدالرزاق خان	عدد 04
7	جناب محمد عمیر یونس لون	عدد 04

بورڈ کی جانب سے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت منظور کر لی گئی۔

آڈٹ کمیٹی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے 'السٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019' کے تقاضوں کی تعمیل میں بورڈ کی آڈٹ کمیٹی تشکیل دی ہے۔ بورڈ کی جانب سے کمیٹی کے دائرہ کار (ٹرمز آف ریفرنس) سے اراکین کو باقاعدہ طور پر آگاہ کر دیا گیا تھا۔



Khalid Siraj Textile Mills Limited

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری حسب ذیل تھی:

1	جناب میاں حسن برکت	عدد 04
2	جناب میاں اقبال برکت	عدد 04
3	بیگم عابدہ اقبال	عدد 04

ایچ آر کمیٹی کے اجلاس

سال کے دوران ایچ آر (HR) اور معاوضہ جات کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر رکن کی حاضری حسب ذیل تھی:

1	جناب محمد مصدق	چیئرمین	عدد 01
2	جناب محمد عمیر یونس لون	ممبر	عدد 01
3	بیگم رافیہ حسن	ممبر	عدد 01

معیار کا کنٹرول

انتظامی نظام کے نفاذ کو یقینی بنانے کے لیے باقاعدگی سے اندرونی معیار کے آڈٹ، نگرانی کے آڈٹ اور انتظامی جائزے کے اجلاس منعقد کیے جاتے ہیں۔

مواصلات

حصص یافتگان کے ساتھ رابطے کو اعلیٰ ترجیح دی جاتی ہے۔ کمپنیز ایکٹ 2017 میں مقررہ مدت کے اندر انہیں سالانہ، ششماہی اور سہ ماہی گوشوارے (Accounts) فراہم کیے جاتے ہیں۔ انفرادی حصص یافتگان کو سالانہ اجلاس عام میں شرکت کرنے اور کمپنی کے امور کے بارے میں آزادانہ طور پر سوالات پوچھنے کا بھرپور موقع دیا جاتا ہے۔

ہنگامی صورتحال اور ذمہ داریاں

اس بیلنس شیٹ سے متعلق مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی نمایاں تبدیلیاں یا ذمہ داریاں (commitments) رونما نہیں ہوئی ہیں۔

منافع حصص

پہلے سے زیر بحث حالات کے پیش نظر، بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی بھی منافع (ڈیویڈنڈ) کی سفارش نہیں کرتا۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر، کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز شیخ اینڈ چوہدری، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس کی شق XVI (J) کے تحت شیئر ہولڈنگ کا نمونہ اور معلومات

اس عنوان کے تحت 30 جون 2026 تک کی معلومات منسلک ہیں۔



Khalid Siraj Textile Mills Limited

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داریوں سے بخوبی آگاہ ہے اور تعلیم، صحت اور ماحولیات کے شعبوں میں کام کرنے والی سماجی تنظیموں کی معاونت کر رہی ہے۔ کمپنی فلاحی اداروں کو مالی امداد کے طور پر عطیات فراہم کرنے کے ساتھ ساتھ کالجوں اور یونیورسٹیوں کے طلبہ کو سال بھر انٹرنشپ کے مواقع بھی فراہم کرتی ہے۔

اظہارِ تشکر

بورڈ کو خوشی ہے اور وہ اپنے بینکرز کی مسلسل حمایت، نیز کمپنی کے تمام ملازمین کی لگن اور سخت محنت کو سراہتا ہے۔

منجانب : بورڈ آف ڈائریکٹرز

Aqil Barkat .

میاں اقبال برکت
چیف ایگزیکٹو آفیسر

میاں حسن برکت
ڈائریکٹر

لاہور: 3 اکتوبر 2026



Khalid Siraj Textile Mills Limited

Notice of Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of the shareholders of Khalid Siraj Textile Mills Limited (the "Company") will be held on Wednesday, October 28, 2026 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 38th Annual General Meeting held on October 28, 2025.
- 2 To receive, consider and adopt the Company's Audited Financial Statements for the year ended June 30, 2026 together with the Chairman's Report, Directors' and Auditors' Reports thereon.

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>.



3 Auditors:

To appoint statutory auditors of the Company and fix their remuneration for the year ending June 30, 2027. 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.

4 Any Other Business:

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

Lahore: 07-10-2026

By order of the Board

HAJI TARIQ SAMAD

(Company Secretary)

Notes:

1 Closure of The Transfer Books:

The share transfer books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). The share transfer books of the Company will remain closed from October 21, 2026 to October 28, 2026 (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, 2026 will be treated in time for the purpose to attend and vote at the AGM.

2 Participation in AGM:

A Member entitled to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. A proxy in order to be effective must be received by the Company not less than 48 hours before the time of the meeting.



Khalid Siraj Textile Mills Limited

Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their valid Computerized National Identity Cards along with the Participants I.D number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy an attested copy of proxy's Identity Card, Account & Participants I.D. number be enclosed. In case of corporate entity, the Board of Directors resolution / Power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).

3 Participation in AGM Through Video Link:

Members who wish to participate in the AGM through video link facility are requested to share below information at kstmlspinning@outlook.com at least 07 working 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:

- 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;
- 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, 2026 by M/s Corplink (Pvt) Ltd being the E-voting service provider. E-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote online from October 24, 2026 to October 27, 2026 at 05:00 p.m. and voting shall close on October 27, 2026 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 option 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, 2026 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, 2026 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.



Khalid Siraj Textile Mills Limited

سالانہ اجلاس عام کا نوٹس

اس کے ذریعے مطلع کیا جاتا ہے کہ خالد سراج ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے شیئر ہولڈرز کا 39 واں سالانہ اجلاس عام، بدھ 28 اکتوبر 2026 کو صبح 10:00 بجے کمپنی کے رجسٹرڈ دفتر، 135-اپر مال، لاہور میں منعقد ہوگا تاکہ درج ذیل امور نمٹائے جا سکیں:

معمول کی کارروائی:

- 1 اکتوبر 28 2025 کو منعقدہ 38 ویں سالانہ عام اجلاس کی کارروائی کی توثیق کرنا۔
 - 2 جون 30 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو، چیئرمین کی رپورٹ اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ، وصول کرنے، ان پر غور کرنے اور انہیں منظور کرنے کے لیے۔
- کمپنیز ایکٹ 2017 کی دفعہ 223 اور ایس ای سی پی کی جانب سے 21 مارچ 2023 کو جاری کردہ S.R.O نمبر 389(2023)/ا کے تحت، کمپنی کے مالیاتی گوشوارے (درج ذیل ویب لنک کے ذریعے دیکھے جا سکتے ہیں):



- 3 آڈیٹرز کمپنی کے قانونی آڈیٹرز (statutory auditors) کی تقرری اور 30 جون 2027 کو ختم ہونے والے سال کے لیے ان کے معاوضے کا تعین کرنا۔ سبکدوش ہونے والے آڈیٹرز، میسرز شیخ اینڈ چوہدری (چارٹرڈ اکاؤنٹنٹس)، دوبارہ تقرری کے اہل ہیں اور انہوں نے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے، جبکہ بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔
- 4 دیگر امور: صدر اجلاس کی اجازت سے کمپنی کے کسی بھی دیگر امور پر غور کرنا۔

بورڈ کے حکم سے
حاجی طارق صمد
(کمپنی سیکرٹری)

لاہور: 2026-10-07

نوٹس:

- 1 منتقلی کتابوں کی بندش: کمپنی کی حصص کی منتقلی کی کتابیں 21 اکتوبر 2026 سے 28 اکتوبر 2026 (دونوں دن سمیت) تک بند رہیں گی۔ کمپنی کی حصص کی منتقلی کی کتابیں 21 اکتوبر 2026 سے 28 اکتوبر 2026 (دونوں دن سمیت) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کو موصول ہونے والی منتقلی، M/s. کارپلنک (پرائیویٹ) لمیٹڈ، ونگ آرکیڈ 1-K کمرشل ماڈل ٹاؤن، لاہور، 20 اکتوبر 2026 کو کاروبار کے اختتام پر AGM میں شرکت اور ووٹ دینے کے مقصد کے لیے بروقت علاج کیا جائے گا۔

2 سالانہ اجلاس عام میں شرکت:

سالانہ اجلاس عام میں شرکت کرنے، بات کرنے اور ووٹ دینے کا حق رکھنے والا کوئی رکن کسی دوسرے رکن کو اپنا 'پراکسی' مقرر کر سکتا ہے تاکہ وہ اس کی جگہ اجلاس میں شرکت کر سکے اور ووٹ دے سکے۔ پراکسی کے مؤثر ہونے کے لیے ضروری ہے کہ وہ اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔



Khalid Siraj Textile Mills Limited

جن اراکین کے حصص 'سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ' کے پاس جمع ہیں، ان سے گزارش ہے کہ سالانہ اجلاس عام کے موقع پر شناخت کی سہولت کے لیے اپنے درست کمپیوٹر انڈزڈ قومی شناختی کارڈز کے ساتھ ساتھ 'پارٹیسپینٹ آئی ڈی نمبر' اور 'سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ' میں موجود اپنا اکاؤنٹ نمبر بھی ہمراہ لائیں۔ پراکسی کی صورت میں، پراکسی کے شناختی کارڈ کی تصدیق شدہ کاپی اور اکاؤنٹ و پارٹیسپینٹ آئی ڈی نمبر منسلک کیے جائیں۔ کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ اور نامزد کردہ شخص کے دستخطوں کے نمونے پیش کیے جائیں (سوائے اس کے کہ یہ پہلے ہی فراہم کیے جا چکے ہوں)۔

3 ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت:

جو اراکین ویڈیو لنک کی سہولت کے ذریعے اجلاس میں شرکت کرنا چاہتے ہیں، ان سے درخواست ہے کہ وہ اجلاس کی تاریخ سے کم از کم 07 کاروباری دن قبل ذیل میں دی گئی معلومات kstmlspinning@outlook.com پر ارسال کریں۔

حصہ دار کا نام	قومی شناختی کارڈ نمبر	فولیو / سی ڈی سی / اکاؤنٹ نمبر	رجسٹرڈ ای میل	موبائل نمبر

جن شیئر ہولڈرز کی رجسٹریشن مذکورہ بالا تقاضوں کے مطابق ضروری تصدیق کے بعد مکمل ہو جائے گی، انہیں کمپنی کی جانب سے ای میل کے ذریعے پاس ورڈ سے محفوظ ویڈیو لنک فراہم کیا جائے گا۔ یہ لنک سالانہ عام اجلاس والے دن صبح 10:00 بجے سے لے کر اجلاس کے اختتام تک فعال رہے گا۔

4 الیکٹرانک ووٹنگ:

(الف) کمپنیز ریگولیشنز، 2018 (جنہیں "ریگولیشنز" کہا گیا ہے) کے مطابق، ہر لسٹڈ کمپنی کے اراکین کو الیکٹرانک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹنگ کے ذریعے ووٹ دینے کا حق فراہم کیا جائے گا؛ یہ حق دیگر امور کے علاوہ ان تمام معاملات کے لیے ہوگا جنہیں کمپنیز ایکٹ، 2017 کے تحت "خصوصی امور" کے طور پر درجہ بندی کیا گیا ہے، اور یہ عمل ریگولیشنز میں درج طریقہ کار اور شرائط کے تابع ہوگا۔

(ب) ای-ووٹنگ (E-Voting) کی سہولت کی تفصیلات، ای-ووٹنگ سروس فراہم کرنے والے ادارے 'میسرز کارپلنک (پرائیویٹ) لمیٹڈ' کی جانب سے، کمپنی کے ان اراکین کو ای-میل کے ذریعے فراہم کی جائیں گی جن کے درست موبائل نمبر یا ای-میل ایڈریس 24 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک کمپنی کے اراکین کے رجسٹر میں موجود ہوں گے۔ ای-ووٹنگ کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے تصدیقی عمل کے ذریعے کی جائے گی۔

(سی) اراکین 24 اکتوبر 2026 سے 27 اکتوبر 2026 کو شام 5:00 بجے تک آن لائن ووٹ ڈالیں گے اور ووٹنگ کا عمل 27 اکتوبر 2026 کو شام 5:00 بجے بند ہو جائے گا۔ جب کوئی رکن کسی قرارداد پر ووٹ ڈال دے گا، تو اسے بعد میں اپنا ووٹ تبدیل کرنے کی اجازت نہیں ہوگی۔

5 پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

اراکین متبادل کے طور پر پوسٹل بیلٹ کے ذریعے ووٹ دینے کا انتخاب کر سکتے ہیں۔ اراکین کی سہولت کے لیے، بیلٹ پیپر کمپنی کی ویب سائٹ www.kstml.com.pk پر ڈاؤن لوڈ کرنے کے لیے دستیاب ہے۔ اراکین کو اس بات کو یقینی بنانا ہوگا کہ مناسب طریقے سے پُر اور دستخط شدہ بیلٹ پیپر، بمعہ شناختی کارڈ کی کاپی، سالانہ عام اجلاس سے ایک دن قبل یعنی 27 اکتوبر 2026 کو شام 5:00 بجے سے پہلے کمپنی سیکرٹری کو بذریعہ ڈاک (پتہ: 135-اے مال، لاہور) یا بذریعہ ای میل (kstmlspinning@outlook.com) موصول ہو جائے۔

6 ای میل کے ذریعے سالانہ مالیاتی گوشواروں کی فراہمی:

جون 30، 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ <https://www.kstml.com.pk> پر دستیاب کر دیے گئے ہیں۔ مزید برآں، جن اراکین کو کمپنی کی سالانہ رپورٹ کی ہارڈ کاپی درکار ہو، ان سے گزارش ہے کہ وہ ہمیں اپنا تازہ ترین پتہ فراہم کریں تاکہ ہم انہیں یہ رپورٹ کورئیر یا ڈاک کے ذریعے بھیج سکیں۔



Khalid Siraj Textile Mills Limited

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 **30-06-2026**

-----Shareholdings-----				
2.2	No. of Shareholders	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



Khalid Siraj Textile Mills Limited

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	1,105,241	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	2,278	0.02%



Khalid Siraj Textile Mills Limited

Categories of Shareholding

Required under Code of Corporate Governance (CCG) as on June 30, 2026

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	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



Khalid Siraj Textile Mills Limited

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-26

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;



Khalid Siraj Textile Mills Limited

- 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, 2026
 - b. **HR and Remuneration Committee:** four quarterly meetings during the financial year ended June 30, 2026
 - c. **Nomination Committee:** Two Half yearly meetings during the financial year ended June 30, 2026
 - d. **Risk Management Committee:** Two Half yearly meetings during the financial year ended June 30, 2026



Khalid Siraj Textile Mills Limited

- 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;

For and on behalf of the Board

Mian Iqbal Barkat
Chief Executive Officer

Mian Hassan Barkat
Director

Lahore: October 03, 2026



Khalid Siraj Textile Mills Limited



Sheikh & Chaudhri
Chartered Accountants

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

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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 statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and 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 the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The Company has been dormant since it ceased its manufacturing operations in November 2013 and has no competent staff who could maintain, prepare or provide accounting records, supporting documents and information. Accordingly, the books of account, supporting documents and information necessary for the audit were not available. As a result, we were unable to obtain sufficient appropriate audit evidence on the matters described below.

a) We were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting. The Company ceased its manufacturing operations in November 2013, has accumulated losses of Rs. 360.669 million (2025: Rs. 399.195 million), and its current liabilities exceed its current assets by Rs. 141.711 million (2025: Rs. 183.024 million). Short-term borrowings and related mark-up remain unpaid and are under litigation. No records or plan supporting management's assessment were available, and Note 3 to the financial statements does not disclose a material uncertainty.

b) Information and records for short-term borrowings of Rs. 68.180 million (2025: Rs. 68.180 million) (Note 10) and mark-up accrued of Rs. 16.791 million (2025: Rs. 16.791 million) (Note 12) were not available. No mark-up has been accrued for the current year. These balances could not be verified through alternative audit procedures or other corroborative evidence, and we were unable to determine whether any adjustment was necessary.

c) We were unable to obtain sufficient appropriate audit evidence regarding long-term financing amounting to Rs. 153.896 million (2025: Rs. 153.896 million), as disclosed in Note 8 to the financial statements. The said financing represents amounts obtained from the Company's director and sponsor and, accordingly, constitutes related party balances and transactions. Information and records were not available, and we were unable to verify the existence, accuracy, completeness, terms and conditions, repayment arrangements, classification, measurement and other relevant terms of the financing, as well as the appropriateness and completeness of the related party disclosures in the financial statements (Note 28). Accordingly, we were unable to determine whether any adjustments or additional disclosures might have been necessary in respect of these balances and the related party transactions and disclosures.





Khalid Siraj Textile Mills Limited

d) Records for trade and other payables of Rs. 36.079 million (2025: Rs. 77.342 million) were not available. Other operating income includes Rs. 45.150 million written back from securities payable and customer advances. We were not provided with any evidence that these liabilities were legally released, and could not determine whether the write-back, profit for the year and related statutory funds are correctly stated.

e) We were unable to obtain sufficient appropriate audit evidence regarding share capital amounting to Rs. 107.000 million (2025: Rs. 107.000 million), unclaimed dividends amounting to Rs. 24.059 million (2025: Rs. 24.059 million), stores, spare parts and loose tools amounting to Rs. 3.019 million (2025: Rs. 3.019 million), long-term deposits amounting to Rs. 6.348 million (2025: Rs. 6.348 million), trade deposits and short-term prepayments amounting to Rs. 0.507 million (2025: Rs. 0.507 million), deferred liabilities amounting to Rs. 87.304 million (2025: Rs. 39.793 million), cash and bank balances amounting to Rs. 0.066 million (2025: Rs. 0.016 million) and tax refunds due from the government amounting to Rs. 0.055 million (2025: Rs. 0.055 million), because the relevant information and records were not available with the Company, and we were unable to obtain direct balance confirmations or other corroborative audit evidence. We were also unable to obtain sufficient appropriate audit evidence as to the completeness of contingencies and commitments disclosed as Nil (2025: Nil) in Note 14 to the financial statements. We were further unable to obtain sufficient appropriate audit evidence regarding the completeness, occurrence, accuracy, cut-off, classification, measurement and disclosure of the Company's other income and expenses and, consequently, could not determine whether any adjustments to the financial statements were necessary.

f) We were unable to obtain sufficient appropriate audit evidence regarding property, plant and equipment amounting to Rs. 454.166 million (2025: Rs. 293.120 million), as disclosed in Note 15 to the financial statements. The relevant information and records, including the fixed asset register, the valuation report, and supporting evidence for additions to plant and machinery made in prior years, were not available. The lease agreement provides that a significant portion of the rentals is to be withheld by the lessees for overhauling of the plant, and the Company has not received any information from the lessees regarding such additions. As a result, we were unable to verify the existence, ownership, valuation and condition of these assets, the revaluation surplus recognised during the year, the related depreciation and deferred tax on the surplus, or management's assessment of impairment. Consequently, we were unable to determine whether any adjustments to these amounts, and to the related disclosures, were necessary.

g) Tax records were not available. The statement of profit or loss includes a deferred tax credit of Rs. 7.744 million and no current tax charge. We were unable to determine the income tax liability (Rs. 0.250 million (2025: Rs. 0.250 million)) or the tax charge for the year.

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 information needed to assess the Company's accounting policies and disclosures was not available. We noted that required policies and disclosures are missing or inadequate, including those relating to related parties, financial instruments, income tax, contingencies and revaluation.

The limitations described above also affect identify the opening balances and corresponding figures. We were unable to obtain sufficient appropriate audit evidence regarding these amounts through alternative procedures. Consequently, we were unable to determine whether adjustments were necessary to those balances, the corresponding figures, or the financial performance and cash flows for the year ended 30 June 2026.

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





Khalid Siraj Textile Mills Limited

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 matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate 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 the Basis for Disclaimer of Opinion section of our report, we express no opinion whether:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



SHEIKH & CHAUDHRY
Chartered Accountants
Lahore, Pakistan

Date: October 05, 2026

UDIN: AR202610306SK6Xq3niZ



Khalid Siraj Textile Mills Limited



Sheikh & Chaudhri
Chartered Accountants

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

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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, 2026 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 sufficient 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 and also insure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on Our Review, because of non-compliance to Regulation no. 6, 18, 19, 22, 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, 2026.

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.





Khalid Siraj Textile Mills Limited

22	The person holding the position of Chief Financial Officer does not possess the requisite educational qualification and relevant managerial experience as prescribed under the applicable regulatory requirements.	According to the applicable Regulations, every company must appoint a Chief Financial Officer who meets the prescribed qualification and experience criteria, i.e., at least 3 years' relevant managerial experience with ICAP/ICMAP membership, 5 years' relevant managerial experience with an HEC-recognized postgraduate/professional qualification, or 7 years' relevant managerial experience with an HEC-recognized graduate degree. An existing CFO of a listed company with at least 15 years' experience in the same position is exempt from these requirements.
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	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 disclaimer of opinion in our audit report to the financial statements for the year ended 30 June 2026.



Dated: October 06, 2026
UDIN: CR202610306p3DLYcSde

Engagement Partner: Saad Ali Rana

Lahore, Pakistan



Khalid Siraj Textile Mills Limited

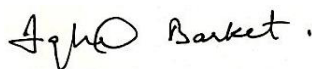
KHALID SIRAJ TEXTILE MILLS LIMITED

Statement of Financial Position

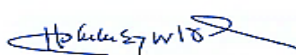
As at 30 June 2026

		Audited	
	Notes	30-Jun-26	30-Jun-25
		Rupees	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	6	107,000,000	107,000,000
Accumulated loss		(360,669,383)	(399,195,164)
Surplus on revaluation of property, plant and	7	331,271,814	214,950,749
		77,602,431	(77,244,415)
Non-current liabilities			
Long-term finances	8	153,895,767	153,895,767
Deferred liabilities	9	87,304,296	39,792,875
Current liabilities			
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	36,078,835	77,341,802
Income tax liability		249,659	249,658
		145,357,430	186,620,396
Contingencies and commitments			
	14	-	-
		464,159,924	303,064,623
ASSETS			
Non-current assets			
Property, plant and equipment	15	454,165,781	293,119,911
Long-term deposits	16	6,348,000	6,348,000
		460,513,781	299,467,911
Current assets			
Stores, spare parts and loose tools	17	3,018,542	3,018,542
Tax refunds due from government	19	54,607	54,607
Trade deposits and short-term prepayments	18	507,100	507,100
Cash and bank balances	20	65,894	16,463
		3,646,143	3,596,712
		464,159,924	303,064,623

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

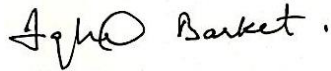
KHALID SIRAJ TEXTILE MILLS LIMITED

STATEMENT OF PROFIT OR LOSS

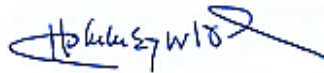
For The Year Ended 30 June 2026

	Notes	Audited	
		30-Jun-26	30-Jun-25
		Rupees	Rupees
Other operating income	21	45,150,000	-
		45,150,000	-
Other operating expenses			
Administrative & general expenses	22	(2,848,418)	(3,262,343)
Other operating expenses	23	(30,364,763)	(21,249,401)
Finance costs	24	(112,866)	(75,786)
		(33,326,047)	(24,587,530)
Loss before taxation		11,823,953	(24,587,530)
Taxation	25	7,743,530	5,264,792
Loss after taxation		19,567,483	(19,322,738)
Earnings/(Loss) per share (basic and diluted)		1.83	(1.81)

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

 Barkat.

CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

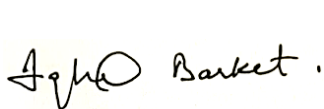


Khalid Siraj Textile Mills Limited

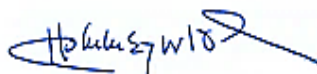
KHALID SIRAJ TEXTILE MILLS LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit / (loss) after taxation	19,567,483	(19,322,738)
Other comprehensive income for the year		
Item that will never be reclassified to profit or loss account:		
Revaluation surplus on land and building	118,436,479	-
Related deferred tax liability on revaluation surplus on Land and building	(34,346,579)	-
	84,089,900	-
Revaluation surplus on plant & machinery	72,097,835	-
Related deferred tax liability on revaluation loss on Plant & machinery	(20,908,372)	-
	51,189,463	-
	135,279,363	-
Total comprehensive income / (loss) for the year	154,846,846	(19,322,738)

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

 Agha Barkat.

CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

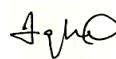
KHALID SIRAJ TEXTILE MILLS LIMITED

Statement of Changes in Equity

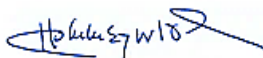
For The Year Ended 30 June 2026

Particulars	Share capital	Revaluation surplus on property, plant and equipment	Revenue reserve	Total Equity
			Accumulated Loss	
----- Rupees -----				
Balance as at June 30, 2024	107,000,000	227,840,413	(392,762,090)	(57,921,677)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(12,889,664)	12,889,664	-
Total comprehensive income/(loss)	-	-	(19,322,738)	(19,322,738)
Balance as at June 30, 2025	107,000,000	214,950,749	(399,195,164)	(77,244,415)
Profit for the year	-	-	19,567,483	19,567,483
Other comprehensive income	-	135,279,363	-	135,279,363
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	(18,958,298)	18,958,298	-
Balance as at June 30, 2026	107,000,000	331,271,814	(360,669,383)	77,602,431

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

 Barkeet .

CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED

Statement of Cash Flows

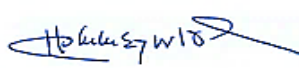
For The Year Ended 30 June 2026

	30-Jun-26	30-Jun-25
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	11,823,953	(24,587,530)
Adjustment for non-cash charges/items:		
Provision for worker's profit participation fund	635,014	-
Provision for worker's welfare fund	241,305	-
Liabilities written back	(45,150,000)	-
Depreciation of property, plant and equipment	29,488,444	21,249,401
Finance cost	112,866	75,785
	(14,672,371)	21,325,186
Cash flows before working capital changes	(2,848,418)	(3,262,344)
Changes in operating assets / liabilities		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	-	-
Increase/(decrease) in current liabilities		
Trade and other payables	2,902,596	(501,099)
	2,902,596	(501,099)
Cash generated from / (used in) operating activities	54,178	(3,763,443)
Income taxes paid	-	(108,033)
Finance cost paid	(4,747)	(3,140)
	(4,747)	(111,173)
Net cash generated from / (used in) operating activities	49,431	(3,874,616)
Cash flows from investing activities		
Net cash used in from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (net) of long-term finances	-	3,920,434
(Repayments) / Proceeds (net) of short-term borrowings	-	(36,739)
Net cash generated from financing activities	-	3,883,695
Net increase in cash and cash equivalents	49,431	9,079
Cash and cash equivalents at beginning of the year	16,463	7,384
Cash and cash equivalents at end of the year	65,894	16,463

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Khalid Siraj Textile Mills Limited

KHALID SIRAJ TEXTILE MILLS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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.

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. 360.669 million (2025: Rs. 399.195) million at close of the year ended 30 June 2026. The Company's current liabilities exceed its current assets by Rs. 141.711 (2025: Rs. 183.024) 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 preparation 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, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.



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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 asset when:

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

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

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.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation

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

Each part of an item of 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 the 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 economic 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:



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Assets Class	Measurement Base	Useful Life/ Depreciation Rate	Depreciation Method
Freehold Land	Revaluation Model	N/A	N/A
Factory Building on freehold Land	Revaluation Model	10%	Reducing Balance Method
Non-Factory Building freehold land	Revaluation Model	5%	Reducing Balance Method
Plant & Machinery	Revaluation Model	10%	Reducing Balance Method
Electric Installation	Revaluation Model	10%	Reducing Balance Method
Laboratory Equipment	Revaluation 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
Bicycles	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



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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 unappropriated profit.

4.3 Financial Instruments

Classification & Recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial 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)
- Financial 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 recognition to account for the equity investment at fair value through other comprehensive income.

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

Financial 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 value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Recognition

Financial instruments are recognised initially when the company becomes 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.



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Initial measurement

Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial 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 at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 a separate line item in the statement of profit or loss.
The company's financial assets at amortised cost includes trade receivables, and loans to associates 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 OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses).
Interest income from these financial assets is included in finance income using the effective interest rate method.
- Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
The company elected to classify irrevocably its non-listed equity investments under this category.
- **Fair value through profit or loss:** assets that do not meet the criteria for amortised cost or fair value through OCI
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 in which it arises.
- The company may make an irrevocable election at initial recognition 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 value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.



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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 to 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

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 not be contingent on future events and must be enforceable in the normal course of business and in the event of default, 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 liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

A forward looking 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 contractual 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 held 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).



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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 using all reasonable and supportable information that is available 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 OCI 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. It is the company's policy 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 Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate expected credit losses.

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 amounts 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 cost 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) director, 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.



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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 loan from member is classified as a financial liability 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 withdrawn 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 can be measured reliably.

Measurement

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

Net realisable 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 is 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 year, after taking into 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:



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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 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 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 realised 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 deferred 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 right to set off current tax assets against current tax liabilities; and the deferred 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 settled or recovered.

4.8 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection 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



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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 entity is a member);

Both entities are joint 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 sponsoring employers are also related to the reporting entity;

The entity is controlled or jointly controlled by a person identified as a related party;

A person identified as having control 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 these 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 seller.

4.10 Dividend distribution

Dividend is recognized as liability in the period in which it is declared. Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, 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 deduction 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 adjustments have been applied in the preparation of these financial statements.



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	Note	2026 Rupees	2025 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			
Surplus on revaluation			
At beginning of the year		(214,950,749)	(227,840,413)
Add: Net surplus arisen during the year		(135,279,362)	18,154,456
Less: Incremental depreciation for the year		18,958,298	(5,264,792)
Add: Transfer from deferred taxation		-	-
At end of the year		(331,271,814)	(214,950,749)
Add: Related deferred tax			
At beginning of the year		39,792,875	45,057,667
Less: Deferred Taxation		(7,743,530)	(5,264,792)
Add: Transfer to surplus on revaluation on fixed assets		55,254,951	-
At end of the year		87,304,296	39,792,875
Gross surplus on revaluation		(418,576,110)	(254,743,624)
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.			
During the year ended 2026, 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 2026: Rs. 113,256,000).	
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 2026: Rs. 117,860,000).	
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 2026: Rs. 132,160,000).	



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		2026	2025
8	LONG-TERM FINANCES		
	Previous associated undertakings	-	-
	Current and ex-directors	8.1 153,895,767	153,895,767
		<u>153,895,767</u>	<u>153,895,767</u>
	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	<u>87,304,296</u>	<u>39,792,875</u>
	9.1 Movement in deferred tax balances is as follows:		
	At beginning of the year	39,792,875	45,057,667
	Recognized in profit or loss account:		
	- Accelerated tax depreciation on fixed assets	-	-
	- Surplus on revaluation of property, plant and equipment	55,254,951	-
	Deferred tax asset on deductible temporary differences		
	- Unused tax losses	<u>(7,743,530)</u>	<u>(5,264,792)</u>
		<u>87,304,296</u>	<u>39,792,875</u>
10	SHORT-TERM BORROWINGS		
	National Bank of Pakistan	10.1 68,180,179	68,180,179
	Book overdraft - unsecured	-	-
		<u>68,180,179</u>	<u>68,180,179</u>
	10.1 This represents facilities obtained from National Bank of Pakistan for working capital requirements having aggregate sanctioned limits of Rs. 167.50 (2025: Rs. 167.50) million and are secured by way of first pari passu and ranking charges amounting to Rs. 293.113 (2025: Rs. 293.113) 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 (2025: 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	<u>24,058,182</u>	<u>24,058,182</u>
	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.		
12	MARK-UP ACCRUED ON BORROWINGS		
	Short-term borrowings	<u>16,790,575</u>	<u>16,790,575</u>
13	Trade and other payables		
	Trade creditors	29,994,140	27,659,925
	Advances from customers	-	550,000
	Accrued liabilities	2,982,386	2,414,006
	Income tax payable	1,359,510	1,359,510
	Workers' welfare fund	13.1 424,059	158,916
	Securities payable	-	44,600,000
	Workers' profit participation fund	13.2 1,318,740	599,445
		<u>36,078,835</u>	<u>77,341,802</u>
	13.1 Workers' profit participation fund		
	Balance as at July 01,	599,445	526,799
	Mark-up on funds utilized in the company's business	<u>84,282</u>	<u>72,646</u>
		<u>683,726</u>	<u>599,445</u>
	Payments during the year	<u>635,014</u>	-
		<u>1,318,740</u>	<u>599,445</u>
	Allocation for the year	-	-
	Balance at the end of the year	<u>1,318,740</u>	<u>599,445</u>



Khalid Siraj Textile Mills Limited

	2026	2025
13.1.1 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 beginning of the year	158,916	158,916
Interest for the year	23,837	-
Allocation for the year	241,305	-
Balance at the end of the year	<u>424,059</u>	<u>158,916</u>
14 Contingencies and commitments		
There are no contingencies at the reporting date (2025: Rs. Nil).		
15.1 Had there been no revaluation, the cost, accumulated depreciation and net book values of revalued items would have been as follows:		
	2026	
	Cost Accumulated NBV	
	-----Rupees-----	
Land - freehold	1,064,296 -	1,064,296
Factory building on freehold land	35,311,982 32,396,587	2,915,395
Non-factory building on freehold land	7,380,828 6,387,793	993,035
Textile Machinery	320,871,940 301,111,437	19,760,504
Electric installations	6,881,121 6,262,807	618,314
Laboratory equipment	6,692,987 6,554,460	138,527
	<u>378,203,154</u> <u>352,713,083</u>	<u>25,490,071</u>
	2025	
Land - freehold	1,064,296 -	1,064,296
Factory building on freehold land	35,311,982 32,072,654	3,239,328
Non-factory building on freehold land	7,380,828 6,335,528	1,045,300
Textile Machinery	320,871,940 298,915,825	21,956,115
Electric installations	6,881,121 6,194,105	687,016
Laboratory equipment	6,692,987 6,539,068	153,919
	<u>378,203,154</u> <u>350,057,180</u>	<u>28,145,974</u>
16 LONG-TERM DEPOSITS		
Wapda Security Deposits	16.1 6,258,000	6,258,000
Security Deposits	90,000	90,000
	<u>6,348,000</u>	<u>6,348,000</u>
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
	<u>3,018,542</u>	<u>3,018,542</u>
18 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Bank guarantee deposits	507,100	507,100
19 TAX REFUNDS DUE FROM GOVERNMENT		
Income tax refundable	-	-
Sales tax refundable	54,607	54,607
	<u>54,607</u>	<u>54,607</u>
19.1. It represents accumulated differences of input tax on purchases and sales tax payable.		



Khalid Siraj Textile Mills Limited

		2026	2025
20	CASH AND BANK BALANCES		
	With banks (on current accounts)	65,894	16,463
21	OTHER OPERATING INCOME		
	Liabilities written back	45,150,000	-
		45,150,000	-
22	ADMINISTRATIVE AND GENERAL EXPENSES		
	Director's remuneration	-	-
	Salaries and other benefits	1,416,620	2,069,707
	Motor Vehicle Operation	-	-
	Printing and stationery	29,000	-
	News paper and periodicals	-	-
	Legal and professional charges	470,000	400,000
	Repair and Maintenance	-	110,500
	Fee and subscription	184,948	112,136
	Auditors' remuneration	690,000	390,000
	Others Expenses	-	5,000
	Advertisement Expenses	57,850	175,000
		2,848,418	3,262,343
	22.1 Auditors' remuneration		
	Audit fee	605,000	325,000
	Fee for interim review and other certifications	85,000	65,000
		690,000	390,000
23	OTHER OPERATING EXPENSES		
	Provision for obsolete store items	-	-
	Workers' welfare fund	241,305	-
	Workers' profit participation fund	635,014	-
	Depreciation on property, plant and equipment	29,488,444	21,249,401
		30,364,763	21,249,401
24	FINANCE COST		
	Bank charges and commission	4,747	3,140
	Interest on Worker's profit participation fund	84,282	72,646
	Interest on Worker's Welfare fund	23,837	-
		112,866	75,786
25	TAXATION		
	Current	-	-
	Prior year effect	-	-
	Deferred	(7,743,530)	(5,264,792)
		(7,743,530)	(5,264,792)

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	2026	2025
		----- Rupees -----	
Trade debts-considered good but unsecured	18	507,100	507,100
Cash and bank balances	20	65,894	16,463
		<u>572,994</u>	<u>523,563</u>

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 off 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-off. 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:



Khalid Siraj Textile Mills Limited

	2026		2025	
	Gross carrying value	Loss Allowance	Gross carrying 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	A-1	AA-	VIS
Habib Metropolitan Bank Limited	A-1+	AA1+	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. ☐



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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.

		2026			
Notes		Carrying amount	Contractual	Not later than 1	Later than 1
			cash flows	year	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	29,994,140	29,994,140	29,994,140	-
		262,924,703	262,924,703	262,924,703	-
----- Rupees -----					
		2025			
Notes		Carrying amount	Contractual	Not later than 1	Later than 1
			cash flows	year	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	27,659,925	27,659,925	27,659,925	-
		290,584,628	290,584,628	290,584,628	-

26.5 Financial instruments by categories

		2026		
	Notes	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	65,894	-	65,894
		572,994	-	572,994
		2025		
	Notes	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



Khalid Siraj Textile Mills Limited

		2026		
		At Amortized Cost	At FVTOCI	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	29,994,140	-	29,994,140
		292,918,843	-	292,918,843

		2025		
		At Amortized Cost	At FVTOCI	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	27,659,925	-	27,659,925
		290,584,628	-	290,584,628

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:

		2026		
	Notes	Financial Assets	Other than financial assets	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	65,894	-	65,894
		572,994	-	572,994

		2025		
	Notes	Financial Assets	Other than financial assets	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



Khalid Siraj Textile Mills Limited

2026		
Financial Liabilities	Other than financial liabilities	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	29,994,140	-	29,994,140
		292,918,843	-	292,918,843

2025		
Financial Liabilities	Other than financial liabilities	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	27,659,925	-	27,659,925
		290,584,628	-	290,584,628

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	2026	2025
Total debts	222,075,946	222,075,946
Total equity	77,602,431	(77,244,415)
Debt equity ratio	2.86	-2.87

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-the-counter 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.



Khalid Siraj Textile Mills Limited

Notes	Carrying Amount				Fair value		
	Fair value through statement of	Financial assets at amortised	Other financial liabilities	Total	Level 1	Level 2	Level 3
-----RUPEES-----							
June 30, 2026							
Financial assets at fair value	-	-	-	-	-	-	-
Financial assets at amortised cost							
Trade deposits and short-term prepaym	18	-	507,100	-	507,100	-	-
Cash and bank balances	20	-	65,894	-	65,894	-	-
Financial liabilities measured at fair value		-	572,994	-	572,994	-	-
Financial liabilities not measured at fair value							
Accrued markup	12	-	-	16,790,575	16,790,575	-	-
Trade creditors and other payables	13	-	-	29,994,140	29,994,140	-	-
		-	-	46,784,715	46,784,715	-	-

Notes	Carrying Amount				Fair value		
	Fair value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
-----RUPEES-----							
June 30, 2025							
Financial assets at fair value	-	-	-	-	-	-	-
Financial assets at amortised cost							
Trade deposits and short-term prepaym	18	-	507,100	-	507,100	-	-
Cash and bank balances	20	-	16,463	-	16,463	-	-
Financial liabilities measured at fair value		-	523,563	-	523,563	-	-
Financial liabilities not measured at fair value							
Accrued markup	12	-	-	16,790,575	16,790,575	-	-
Trade creditors and other payables	13	-	-	27,659,925	27,659,925	-	-
		-	-	44,450,500	44,450,500	-	-



Khalid Siraj Textile Mills Limited

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	2026 RUPEES	2025 RUPEES
Mian Iqbal Barkat	Loan Received/(Repaid)	director	-	2,255,552
Mian Tayyab Iqbal	Loan Received/(Repaid)	Sponser	-	2,242,217

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 2026	Chief Executive 2025
Managerial remuneration	-	-
Number of persons	1	1

29.2 During the year the company has paid remuneration of Rs. Nil (2025: Rs. Nil) to the directors.

	2026	2025
30 Number of employees	----- Numbers -----	
Number of employees as at June 30th	6	6
Average number of employees during the year	6	7

31 Plant capacity and actual production

	2026	2025
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	19,567,483	(19,322,738)
Weighted average number of ordinary shares	10,700,000	10,700,000
Loss per share - basic and anti dilutive	1.83	(1.81)



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, 2026 by the Board of Directors of the Company.

CHIEF EXECUTIVE

DIRECTOR

KHALID SIRAJ TEXTILE MILLS LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL

INFORMATION (UN-AUDITED)

FOR PERIOD ENDED JUNE 30, 2026

Particulars	COST					Rate %	DEPRECIATION					Book Value as at June 30, 2026
	As at July 01, 2025	Additions/ (Disposals)	Revaluation Adjustment	Revaluation Gain/(loss)	As at June 30, 2026		As at July 01, 2025	Depreciation on addition	Charged for the year	Revaluation Adjustment	As at June 30, 2026	
Freehold land												
Cost	1,064,297	-			1,064,297	0%	-	-	-	-	-	1,064,297
Revaluation	95,460,703	-		45,045,000	140,505,703	0%	-	-	-	-	-	140,505,703
	96,525,000	-	-	45,045,000	141,570,000		-	-	-		-	141,570,000
Factory building on freehold land												
Cost	35,311,982	-			35,311,982	10%	32,072,655	-	323,933		32,396,588	2,915,394
Revaluation	194,932,641	-	(166,548,097)	67,203,474	95,588,018	10%	132,846,787	-	11,131,188	(166,548,097)	(22,570,122)	118,158,140
	230,244,623	-	(166,548,097)	67,203,474	130,900,000		164,919,442	-	11,455,121	(166,548,097)	9,826,466	121,073,534
Non-factory building on freehold land												
Cost	7,380,828	-			7,380,828	5%	6,335,527	-	52,265		6,387,792	993,036
Revaluation	19,394,423	-	(16,538,255)	6,188,004	9,044,172	5%	10,073,505	-	693,458	(16,538,255)	(5,771,292)	14,815,464
	26,775,251	-	(16,538,255)	6,188,004	16,425,000		16,409,032	-	745,723	(16,538,255)	616,500	15,808,500
Plant and machinery Textile Machinery												
Cost	320,871,940	-			320,871,940	10%	298,915,824	-	2,195,612		301,111,436	19,760,504
Revaluation	415,366,439	-	(624,105,802)	40,067,423	(168,671,940)	10%	322,322,861	-	12,096,930	(624,105,802)	(289,686,011)	121,014,071
	736,238,379	-	(624,105,802)	40,067,423	152,200,000		621,238,685	-	14,292,542	(624,105,802)	11,425,425	140,774,575
Electric installations												
Cost	6,881,121	-			6,881,121	10%	6,194,103	-	68,702		6,262,805	618,316
Revaluation	16,214,684	-	(20,734,553)	20,638,748	16,118,879	10%	14,480,074	-	1,718,249	(20,734,553)	(4,536,230)	20,655,109
	23,095,805	-	(20,734,553)	20,638,748	23,000,000		20,674,177	-	1,786,951	(20,734,553)	1,726,575	21,273,425
Laboratory equipment												
Cost	6,692,987	-			6,692,987	10%	6,539,068	-	15,392		6,554,460	138,528
Revaluation	18,295,338	-	(22,779,987)	11,391,662	6,907,013	10%	16,184,455	-	1,062,005	(22,779,987)	(5,533,527)	12,440,540
	24,988,325	-	(22,779,987)	11,391,662	13,600,000		22,723,523	-	1,077,397	(22,779,987)	1,020,932	12,579,068
Vehicle		-			-	15%	13,083,981	-	(1,962,596)		11,121,385	(11,121,385)
Concrete Mixer	300,000	-			300,000	10%	293,328	-	667		293,995	6,005
Weighing Scales	233,200	-			233,200	10%	227,576	-	562		228,138	5,062
Furniture & Fixture	4,579,726	-			4,579,726	10%	3,992,557	-	58,717		4,051,274	528,452
Fans	84,438	-			84,438	10%	73,148	-	1,129		74,277	10,161
Air Conditioner	1,646,025	-			1,646,025	10%	1,479,781	-	16,624		1,496,405	149,620
Refridgerator	170,400	-			170,400	10%	158,273	-	1,213		159,486	10,914
Telephone	538,740	-			538,740	10%	505,949	-	3,279		509,228	29,512
Office Equipment	570,809	-			570,809	10%	539,455	-	3,135		542,590	28,219
Heaters	18,950	-			18,950	10%	18,208	-	74		18,282	668
Tools & Equipments	154,960	-			154,960	10%	151,485	-	348		151,833	3,127
Cycles	11,880	-			11,880	20%	11,850	-	2		11,852	28
Arms & ammunition	27,350	-			27,350	10%	25,913	-	144		26,057	1,293
Tube Well	1,292,880	-			1,292,880	10%	1,113,882	-	17,900		1,131,782	161,098
30-Jun-26	1,147,496,741	-	(850,706,694)	190,534,311	487,324,358		867,640,245	-	27,498,932	(850,706,694)	44,432,482	442,891,876
30-Jun-25	1,160,760,158	-	-	-	1,160,760,158		846,390,847	3,788,351	21,249,401	-	867,640,248	293,119,911



FORM OF PROXY

KHALID SIRAJ TEXTILE MILLS LIMITED

I/We, _____ 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 39th Annual General Meeting of the Company to be held at the Registered Office of the Company, 135-Upper Mall, Lahore on Saturday, October 28, 2026 at 10:00 a.m. or at any adjournment thereof.

As witness my/our hand(s) this _____ day of October 2026 at _____

Signature of Witness of 1	Affix Revenue Stamp of Rs. 50/-
Name	
CNIC No.	
Address:	

Signature of Witness of 2	Member's Signature
Name	
CNIC No.	
Address:	

Date: _____ Place: _____

Notes:

- ☐ A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote instead of him / her. The instrument appointing a proxy must be received at the registered office of the company not less than 48 hours before the time fixed for AGM.
- ☐ In case of individuals, the account holder and / or sub-account holder, whose registration details are uploaded as per the CDC Regulations, shall submit scan / photo of the proxy form as per above requirements.
- ☐ The proxy form shall be (i) dully stamped with adhesive revenue tickets of Rs.50/- and (ii) witness by two persons, whose names addresses and CNIC numbers shall be mentioned on the proxy form.
- ☐ Attested copies of CNIC of the Passport of beneficial owners and of the proxy shall be furnished with the proxy form.
- ☐ The proxy shall submit scan/photo of his original CNIC of Passport at the time of login to the Video Link / Zoom application for attending online AGM.
- ☐ In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature thereon shall be submitted online (unless it has been provided earlier) along with proxy form to the company at the



Khalid Siraj Textile Mills Limited

KSTML.COM.PK

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