

SARITOW SPINNING MILLS LIMITED

1st QUARTER REPORT

30-09-2026

(Un-Audited)

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	Chairman
Mr. M. Zeid Yousuf Saigol	Chief Executive Officer
Mr. M. Murad Saigol	
Mr. Samir Iqbal Saigol	
Mr. Muhammad Omer Farooq	
Ms. Kanwal Shahzadi	
Mr. Jamal Nasim	

AUDIT COMMITTEE

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Ms. Kanwal Shahzadi	Member

HR & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Shakeel Ahmed

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shamil, FCA

AUDITORS

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

BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

MILLS

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



ISO 9001:2008 Certified

SARITOW SPINNING MILLS LIMITED

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

DIRECTORS' REPORT

The Directors of M/s. Saritow Spinning Mills Limited are please to present Financial Results for the 1st quarter ended September 30, 2026 along with Director Report thereupon.

Financial Highlights

	<u>Quarter Ending Sept 30, 2026</u>	<u>Quarter Ending Sept 30, 2025</u>
Rental Income	15.441	0
Operating profit (loss)	(5.210)	(19.884)
Loss before income taxes	(5.210)	(25.534)
Loss after income taxes from continuing operations	(5.210)	(25.557)
Loss per share - continued operation	0.018	(0.86)

OPERATING FINANCIAL RESULTS

During the last year, the Board of Directors of the Company, in its meeting held on 30th October 2025, formally decided to close the Company's spinning business, sell or otherwise dispose of the entire spinning plant and machinery, to pursue leasing out of its land, buildings and other properties, and warehousing, as an amended line of business. In furtherance of this decision, the members of the Company, through a special resolution passed on 28 November 2025, approved the disposal of the spinning plant and machinery and amendment of the Company's Memorandum of Association to incorporate the aforesaid activities within its object clause.

We started leasing out our ware houses to third party on rental basis during last year. This move turns out to be very beneficial and company have started making profit which is evident from annexed accounts for the 1st quarter ending September 30, 2026.

FUTURE OUTLOOK

We hope as the occupancy increases, the profits of the company will be far better in coming days.



SARITOW SPINNING MILLS LIMITED

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COMPOSITION OF BOARD

Composition of the Board of Directors is as under.

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

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Ms. Kanwal Shahzadi	Member

HR & REMUNERATION COMMITTEE

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

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

For and on behalf of the Boards

Lahore
October 28, 2026

Chief Executive

Director

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026

	Note	September 30, 2026	June 30, 2026
		Rupees	Rupees
		[Un-Audited]	[Audited]
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>		350,000,000	350,000,000
Issued share capital		298,406,070	298,406,070
Revaluation reserve		677,151,319	677,151,319
Accumulated losses		(868,488,804)	(868,488,804)
TOTAL EQUITY	-	107,068,585	107,068,585
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees retirement benefits		10,909,190	16,739,790
	-	10,909,190	16,739,790
CURRENT LIABILITIES			
Trade and other payables		255,873,790	415,393,951
Unclaimed dividend		485,351	485,351
Short term borrowings		541,984,965	541,984,966
		798,344,106	957,864,268
TOTAL LIABILITIES		809,253,296	974,604,058
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL EQUITY AND LIABILITIES		916,321,881	1,081,672,643

The annexed notes form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

SARITOW SPINNING MILLS LIMITED

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

	Note	September 30,2026	June 30,2026
		<i>Rupees</i>	<i>Rupees</i>
		[Un-Audited]	[Audited]
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		8,420,333	8,420,333
Investment property		826,970,703	828,589,915
Long term deposits		16,256,860	16,256,860
		851,647,896	853,267,108
CURRENT ASSETS			
Stores and spares		10,478,616	10,478,617
Short term advances		2,319,677	2,319,677
Short term deposits and prepayment		2,224,925	10,850,288
Sales tax refundable / adjustable		1,206,970	533,295
Cash and bank balances		9,991,446	33,357,122
Non-current assets classified as held for sale		43,466,535	170,866,536
		69,688,169	228,405,535
TOTAL ASSETS		921,336,065	1,081,672,643

The annexed notes form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30,2026

	Note	Quarter Ended	
		September 30,2026	September 30,2025
		Rupees	Rupees
CONTINUING OPERATION		OPERATION	
		CONTINUING	DISCONTINUED
Lease income		15,441,180	-
Other income		-	-
Operating expenses		10,231,013	25,533,853
Cost of sales	4		
Operating profit / loss		5,210,167	(25,533,853)
Financial Cost		195,983	(23,400)
Profit / (loss) before levies and income tax		5,014,184	(25,557,253)
Provision for levies			
Profit / (loss) after income taxes		5,014,184	(25,557,253)
Basic profit / (loss) per share		0.17	(0.85)

The annexed notes form an integral part of these interim financial statements.

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Chief Executive



Chief Financial Officer



Director

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30,2026

	Quarter ending September 30,2026	Three-month period ended September 30,2025
	Rupees	Rupees
Loss after income taxes		
Other comprehensive income	-	-
(Loss)/profit after taxation	5,014,184	-
Total comprehensive (loss)/income	5,014,184	-

The annexed notes form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



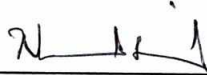
Director

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Share capital		Capital reserves		
	Issued share capital	Loan from director	Revaluation reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2025 - [Un-audited]	298,406,070		622,471,778	(807,934,937)	112,942,911
Comprehensive income					
Profit / Loss after taxation	-	-	-	(69,326,506)	(69,326,506)
Other comprehensive loss	-	-	61,367,410	2,084,770	63,452,180
Total comprehensive income	-	-	61,367,410	(67,241,736)	(5,874,326)
Incremental depreciation	-		(6,687,869)	6,687,869	
Transaction with owners	-				
As at 30 June 2025 - [Audited]	298,406,070	-	677,151,319	(868,488,804)	107,068,585
As at 01 July 2025 - [Un-audited]	298,406,070		677,151,319	(868,488,804)	107,068,585
Comprehensive income					
Profit / Loss after taxation	-	-	-	5,014,184	5,014,184
Other comprehensive loss	-	-			-
Total comprehensive income	-	-	-	5,014,184	5,014,184
Incremental depreciation	-				
Transaction with owners	-				
As at 30 June 2025 - [Audited]	298,406,070	-	677,151,319	(863,474,620)	112,082,769

The annexed notes form an integral part of these interim financial statements.

 _____ Chief Executive	 _____ Chief Financial Officer	 _____ Director
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SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS [UN-AUDITED] FOR THE QUARTER ENDED SEPTEMBER 30,2026

	QUARTER ENDED	
	September 30,2026	September 30,2025
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	5,014,184	(25,557,253)
Adjustments for non-cash items		
Depreciation	293,751	10,790,413
Interest on borrowings		
	293,751	10,790,413
Operating (loss)/profit before changes in working capital	5,307,935	(14,766,840)
Changes in working capital		
Trade receivables		
Short term deposits	8,625,363	2,046,161
Advances and other receivables	(5,178,814)	2,500,000
Trade and other payables	(159,520,161)	6,373,871
Long term payables		
	(156,073,612)	10,920,032
Net cash used in from operations	(150,765,677)	(3,846,808)
Payments for:		
Interest on borrowings		
Employees retirement benefits		(288,000)
Net cash used in operating activities	(150,765,677)	(4,134,808)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		
Proceeds from disposal of property, plant and equipment	127,400,001	42,478
Net cash used in investing activities	127,400,001	42,478
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances		
Net increase in short term borrowings		(601,054)
Net cash generated from financing activities	-	(601,054)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(23,365,676)	(4,693,384)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	33,357,122	5,935,100
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,991,446	1,241,716

The annexed notes form an integral part of these interim financial statements.


Chief Executive


Chief Financial Officer


Director

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30,2026

1 LEGAL STATUS AND OPERATIONS

Saritow Spinning Mills Limited [the 'Company'] was incorporated under the repealed Companies Ordinance, 1984 on 10 March 1987. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company was initially engaged in manufacture and sale of yarn. However, during the year, the Company has amended its memorandum of association, as explained in note 1.2, to change its objects from spinning and textile manufacturing to leasing out of its land and buildings under operating lease arrangements, as and when considered fit.

1.1 Location of business units

Registered office	10-G, Mushtaq Ahmed Gurmani Road, Gulberg - II, Lahore, Pakistan
Investment property	51 KM, Multan Road, Phool Nagar, Kasur, Pakistan

1.2 Closure of spinning business

Due to a sustained increase in the prices of raw material and other inputs without a corresponding increase in yarn sales prices in the local and international markets, coupled with outdated machinery and high production costs leading to operational inefficiency and intense global competition, the operations of the textile unit had become uneconomical, and continuation of the business was expected to result in significant losses. Consequently, the Company's spinning operations ceased in June 2024.

During the year, the Board of Directors of the Company, in its meeting held on 30 October 2025, formally decided to close the Company's spinning business, sell or otherwise dispose of the entire spinning plant and machinery, to pursue leasing out of its land, buildings and other properties, and warehousing, as an amended line of business. In furtherance of this decision, the members of the Company, through a special resolution passed on 28 November 2025, approved the disposal of the spinning plant and machinery and amendment of the Company's Memorandum of Association to incorporate the aforesaid activities within its object clause.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan 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 and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Appropriateness of the going concern assumption

As explained in note 1.2, the Company's spinning operations ceased in June 2024 and, during the year, the Company has formally closed its spinning business and changed its principal line of business to leasing out of its land and buildings, and warehousing. Accordingly, the spinning business has been presented as a discontinued operation (see note) and the related plant and machinery has been classified as held for sale (see note). During the year ended 30 June 2026, the Company has incurred operating loss of Rs. 3.63 million from continuing operations and has reported loss after income taxes amounting to Rs. 69.33 million, of which Rs. 65.00 million pertains to discontinued operations. As at 30 June 2026, the Company has accumulated losses of Rs. 868.49 million and its current liabilities exceed its current assets by Rs.729.46 million as at that date. All banking credit facilities of the Company expired in the previous year and have not been renewed. These factors have contributed to the Company's challenging liquidity situation, due to which the Company has mostly relied on the financial support of its directors and sponsors, whose loans amounting to Rs. 0.00 million are repayable on demand. These factors indicate existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

- As explained in note 1.2, the Board of Directors, in its meeting held on 30 October 2025, decided to formally close the spinning business and to pursue leasing out of the Company's land, buildings and other properties, and warehousing, as its principal line of business. The members approved the change through a special resolution passed on 28 November 2025 and the Memorandum of Association of the Company has been amended accordingly. The spinning business has been presented as a discontinued operation (see note). The Company is therefore no longer exposed to the factors that had rendered its spinning operations uneconomical.
- In pursuance of the new line of business, the Company has leased out a covered area of 175,000 sq. ft., out of total covered area of 412,538 sq. ft., under an operating lease arrangement during the year. Rental income of Rs. 26.47 million has been recognized during the year. Minimum lease payments receivable under the arrangement amount to Rs. 0.00 million, of which Rs. 0.00 million is receivable within twelve months of the reporting date (see note). The remaining covered area of 237,538 sq. ft. is available for leasing and the Company is in negotiations with prospective lessees in this regard.
- Continuing operations have reported an operating loss of Rs. 3.63 million for the year. This is after charging depreciation of Rs. 1.83 million and provision for employees retirement benefits of Rs. 1.32 million, which do not involve outflow of cash during the year, and reflects rental income for only a part of the year. On the basis of contracted rentals for a full year, the continuing operations are expected to generate operating profits and positive cash flows.
- Current liabilities include advances of Rs. 0.00 million received against disposal of assets held for sale and stores and spares, which will be settled through delivery of the related assets and not through outflow of cash (see note).
- #REF!
- Despite accumulated losses the Company has positive equity.
- The Board of Directors has approved financial projections of the Company, which indicate that the Company will earn profits and generate positive cash flows from operations. Key assumptions underlying these projections include continuity of the existing lease arrangement, leasing out of the remaining covered area, cessation of costs associated with the discontinued spinning operations upon completion of disposal of the related assets, and continued availability of loans from directors and sponsors.

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30,2026

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

2.3 Basis of measurement

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

Items	Measurement basis
Financial liabilities	Amortized cost
Employees retirement benefits	Present value
Investment property	Fair value
Land, building, plant and machinery	Revalued amounts
Financial assets	Amortized cost

2.4 Critical accounting judgements and key sources of estimation uncertainty

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

2.5 Presentation currency

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

2.6 Date of authorization for issue

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 05 October 2026.

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

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

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

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

	Effective date (annual periods beginning on or after)
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Amendments to IAS 21 regarding translation to hyperinflationary presentation currency	01 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2027
IFRS S2 Climate-related Disclosures	01 July 2027
Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.	
- IFRS 1 First Time Adoption of International Financial Reporting Standards	
- IFRS 20 Regulatory Assets and Regulatory Liabilities	

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

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30,2026

5 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Financial instruments

5.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

5.1.3 Measurement

Measurement methods adopted are explained in individual policy statements associated with each financial instrument.

5.1.4 De-recognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

5.2 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. Dividends on ordinary shares are charged directly against equity as a deduction from retained earnings, when approved by the ordinary shareholders of the Company.

5.3 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis. Transaction costs included in the carrying amount of the loans are amortized over the lives of loans using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.4 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

6 AUTHORIZED SHARE CAPITAL

30 Sept-2026	30-Jun-26		30 Sept-2026	30-Jun-26
Shares	Shares		Rupees	Rupees
35,000,000	35,000,000	Ordinary shares of Rs. 10 each	350,000,000	350,000,000
35,000,000	35,000,000		350,000,000	350,000,000

7 ISSUED SHARE CAPITAL

30 Sept-2026	30-Jun-25		30 Sept-2026	30-Jun-26
Shares	Shares		Rupees	Rupees
		Ordinary shares of Rs. 10 each		
13,275,000	13,275,000	Issued for cash	132,750,000	132,750,000
16,565,607	16,565,607	Issued as consideration on merger	165,656,070	165,656,070
29,840,607	29,840,607		298,406,070	298,406,070

8 REVALUATION RESERVE

As at beginning of the year	677,151,319	622,471,778
Surplus arised during the year		61,367,410
Incremental depreciation transferred to retained earnings		(6,687,869)
As at end of the year	677,151,319	677,151,319

9 RENTAL INCOME

15,441,180 -

Note	30 Sept-2026	30 Sept-2026
	Rupees	Rupees

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30,2026

10 OTHER INCOME

Gain on financial instruments	-	-
Other gains		
Gain on disposal of property, plant and equipment	-	-
	-	-
	-	-

11 OPERATING EXPENSES

Directors' meeting fee		60,000
Salaries and benefits	8,113,877	11,980,203
Power and fuel		1,766,014
Printing and stationery	80,515	35,000
Communication	56,400	6,020
Repair and maintenance	174,248	11,500
Vehicles running and maintenance	390,163	21,500
Fee and subscription	576,681	20,000
Entertainment	238,045	84,000
Insurance	227,000	694,223
Depreciation on property plant and equipment	293,751	10,790,412
Miscellaneous expenses	80,333	64,963
	10,231,013	25,533,835

12 PROVISION FOR INCOME TAXES

- 12.1 No provision for current and deferred taxation has been recognized as the Company is subject to and expects to remain in non-tax/levy regime for the foreseeable future.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date, are as follows:

Name of related party	Nature and basis of relationship
Kohinoor Power Company Limited	Associate [Common Directorship]
Pak Elektron Limited	Associated Company [Common Directorship]
Red Communication Arts (Private) Limited	Associated Company [Common Directorship]
Mr. M. Zeid Yousuf Saigol	Key Management Personnel [Chief Executive]
Mr. M. Naseem Saigol	Key Management Personnel [Director]
Mr. M. Murad Saigol	Key Management Personnel [Director]
Mr. Samir Iqbal Saigol	Key Management Personnel [Director]
Mr. Jamal Naseem	Key Management Personnel [Director]
Mr. M. Azam Saigol	Sponsor [Shareholder]
Ms. Amber Haroon Saigol	Sponsor [Shareholder]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. Detail of transactions with related parties during the reporting period and balances with them as at the reporting date are as follows:

	30 Sept-2026	30 Sept-2026
	Rupees	Rupees
13.1 Transactions with related parties		
Nature of relationship	Nature of transactions	
Associated companies	Rental income	15,441,180
	Advertisement services	26,470,594
Key management personnel	Short term employee benefits	348,900
	Interest expense on borrowings	-
	Interest on borrowings waived	-
	Meeting fee	-

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30,2026

13.2 Balances with related parties

Nature of relationship	Nature of balances		
Associated companies	Trade creditors	15,023,925	15,023,925
	Payable against purchase of services	348,115	348,115
Key management personnel	Borrowings	255,873,790	451,684,966
	Short term employee benefits payable	-	-
Sponsors	Borrowings		90,300,000

14 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that require adjustment or disclosure in these financial statements.

15 GENERAL

Following the change in business line and closure of spinning operations, comparative profit or loss statement has been represented as per IFRS 5 [Non current assets held for sale]. Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER