Saritow Spinning Mills Limited

Corporate Briefing Session

For the Year Ended on 30-06-2026

Company Profile

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	Chairman
Mr. M.Zeid Yousaf saigol	Director
Mr. M. Murad Saigol	Director
Mr. Samir Iqbal Saigol	Director
Mr. Muhammad Omer Farooq	Director
Mrs. Kanwal Shahzadi	Director
Mr. Jamal Naseem	Director

Introduction

Saritow Spinning Mills Limited was incorporated under the repealed Companies Ordinance , 1984 on 10th March 1987. The Company is a ”Public Company limited by Shares” and is listed on Pakistan Stock Exchange Limited. Initially the principal activity of the Company was manufacturing and sale of yarn.

However, during the year company has amended its memorandum of association, to change its objects from spinning and Textile manufacturing to leasing out its land and building under operating lease arrangements as and when considered fit.

The Registered Office of the Company is situated at 10-G, Mushtaq Ahmed Gurmani Road, Gulberg – II, Lahore, Pakistan.

Investment Property is situated at 51-KM, Multan Road, Phool Nager, District Kasur, Pakistan

Introduction Continue

Last few years were very tough for Textile business of the company. The company was Operating below 100% Capacity and was temporarily closed from the month of February 2023 onward. Textile industry is performing under immense Pressure for the last few years. Cotton crop has gone down to its lowest level forcing spinner to go for imported substitute. Rates of imported Raw material were also affected by fluctuations in Pak Rupee and US dollars parity which reached the highest level.

Per unit electricity rate of LESCO during June 2023 was R 19.09 per KWH which reached almost Rs 45 per KWH after incorporating FPA and QTA. Rates of both natural gas and imported RLNG has gone up quite considerably. Increase in major input costs coupled with unstable yarn market, decrease in volumes of yarn sales and below capacity production contributed towards the losses.

In order to boost the declining financial health of Company the sponsor directors have injected Rs. 449.100 million during the year 2023-24to make up the heavy losses. In spite of this equity injection company keep on making losses. The Board of Directors of the Company in its meeting held on 28th February 2024 resolved to close the production facility for the time being in order to avoid further losses.

Introduction Continue

Due to unsustainable increase in the prices of raw material and other inputs without a corresponding increase in yarn sales prices in the local and international markets. The situation was further deteriorate by the use of outdated machinery and high production costs leading to operational inefficiencies. Due to intense global competition, the operations of the textile unit become uneconomical. Under the circumstances continuation of the business was expected to result in significant losses. Consequent upon, the Company's spinning operations were ceased in June 2024.

During the last 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 ammended 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 ammendment of the Company's Memorandum of Association to incorporate the aforesaid activities within its object clause.

Introduction Continue

As explained above 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 mmemorandum of Association of the Company has been amended accordingly. The Spinning business has been discontinued .

The company is therefore no longer exposed to the factors that had rendered its spinning operations uncomical 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 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. The accounts reflects rental income for only part of year during which the building was occupied. On the basis of contracted rentals for a full year, the continuing operations are expected to generate more operating profits and positive cash flows.

Financial Highlights

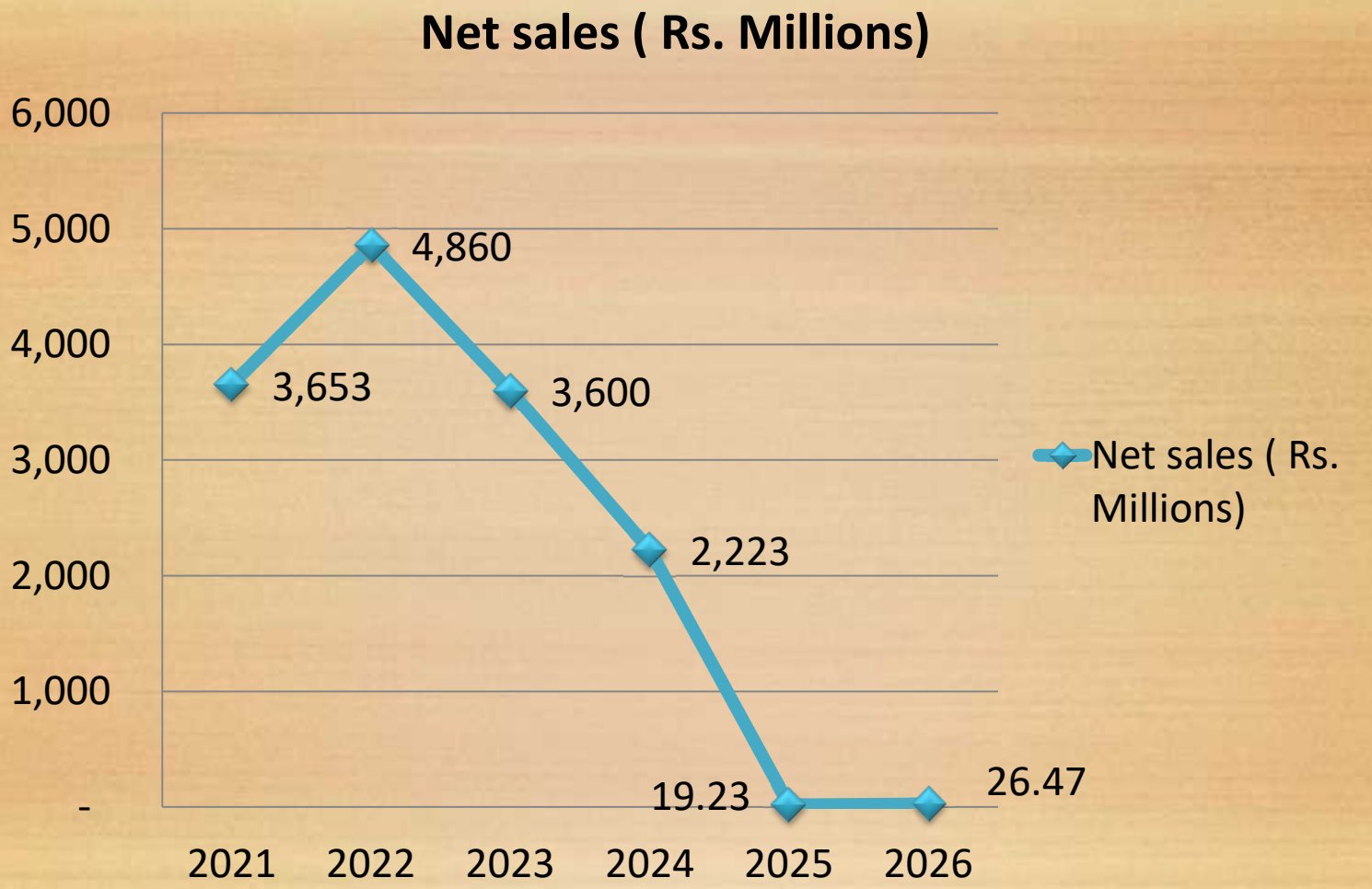
Key Financial Indicators

FINANCIAL HIGHLIGHTS - Six Years at a Glance

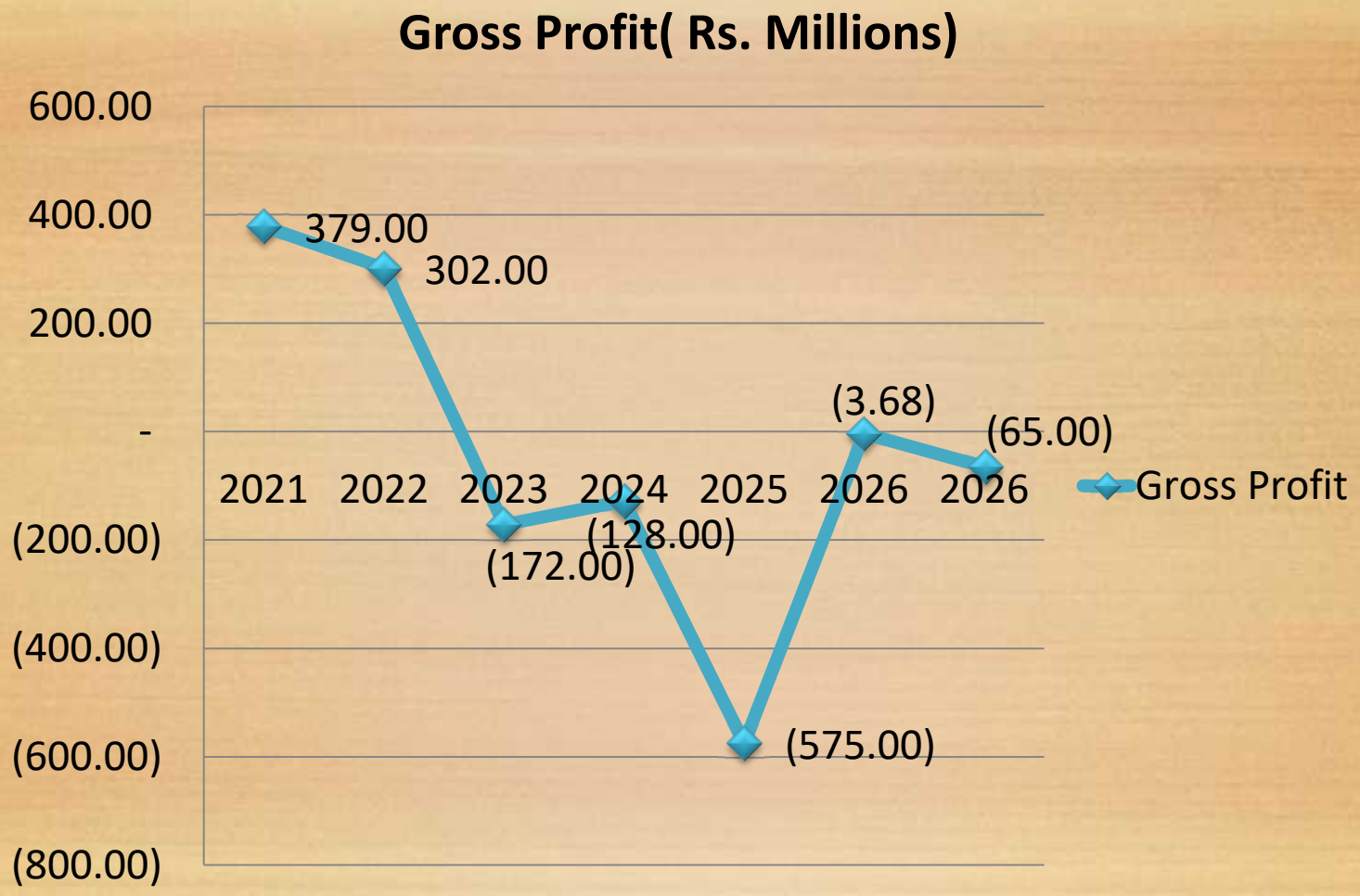
Particulars	2,026	2,025	2,024	2,023	2,022	2,021
Operating Performance (Rupees in Thousands)						
Turnover- Net	26.470	19.229	2,222,878	3,600,124	4,860,004	3,653,463
Gross Profit / (Loss) Continued Opreation	(3.680)					
Gross Profit /Loss discontinued Opreation	(65.00)	(575.507)	(127,568)	(171,922)	302,488	379,791
Profit / (Loss) Continued Opreation	(4.327)					
Profit / (Loss) after tax Continued Opreation	(4.327)					
Profit / (Loss) after tax discontinued Opreation	(64.999)	(598.204)	(308,700)	(431,227)	91,414	174,427
Financial Position (Rupees in Thousands)						
Share Capital	298,406	298,406	298,406	298,406	298,406	298,406
Shareholders,Equity	107.869	113.901	256,690	475,093	818,534	739,055
Operating Fixed Assets	8.420	1,198.120	1,155,113	1,213,168	1,270,574	1,281,003
Investment Property	828.590					
Total Assets	853.267	1,235.825	1,318,213	1,978,663	2,535,558	2,175,934
Bank Borrowings			60,502	587,864	661,190	569,115
Ratio Analysis						
Profitabiliy						
Gross Profit Marign-% age	(13.71)		(5.73)	(4.78)	6.22	10.40
Profit/(Loss)after tax-% age	(0.16)		(13.88)	(11.98)	1.88	4.77
Earning/(Loss)Per Share-Rupees	(2.32)		(10.34)	(14.45)	3.06	5.85
Discontinued Business	(2.18)					
Countinued Opreation	(0.15)					
Activity						
Sales to Operating Fixed Assets-Times	3.10		1.92	2.97	3.83	2.85
Liquidity						
Current Ratio-Times	0.23	0.01	0.22	0.75	1.07	1.03
Break up Value Per Share-Rupees	0.35	3.82	86.02	15.92	27.43	24.77

Ratios

For the Year Ended June 30,2026		2026	2025
Debt : Equity	Times	90: 10	85 : 15
Current ratio	Times	.024	.02
KIBOR	%	14.29	16.29
Market value of equity	Rs. Per share	25.32	16.04
Shares traded	No. of shares	298,406	298,406


Net sales (Rs. Millions)
6,000
5,000
4,000
3,000
2,000
1,000
-
4,860
3,653
3,600
2,223
19.23
26.47
2021
2022
2023
2024
2025
2026
Net sales (Rs. Millions)

GROSS Profit / (Loss)



Gross loss representing continued operation.	(3.680)
Gross loss representing discontinued operation.	(65.000)

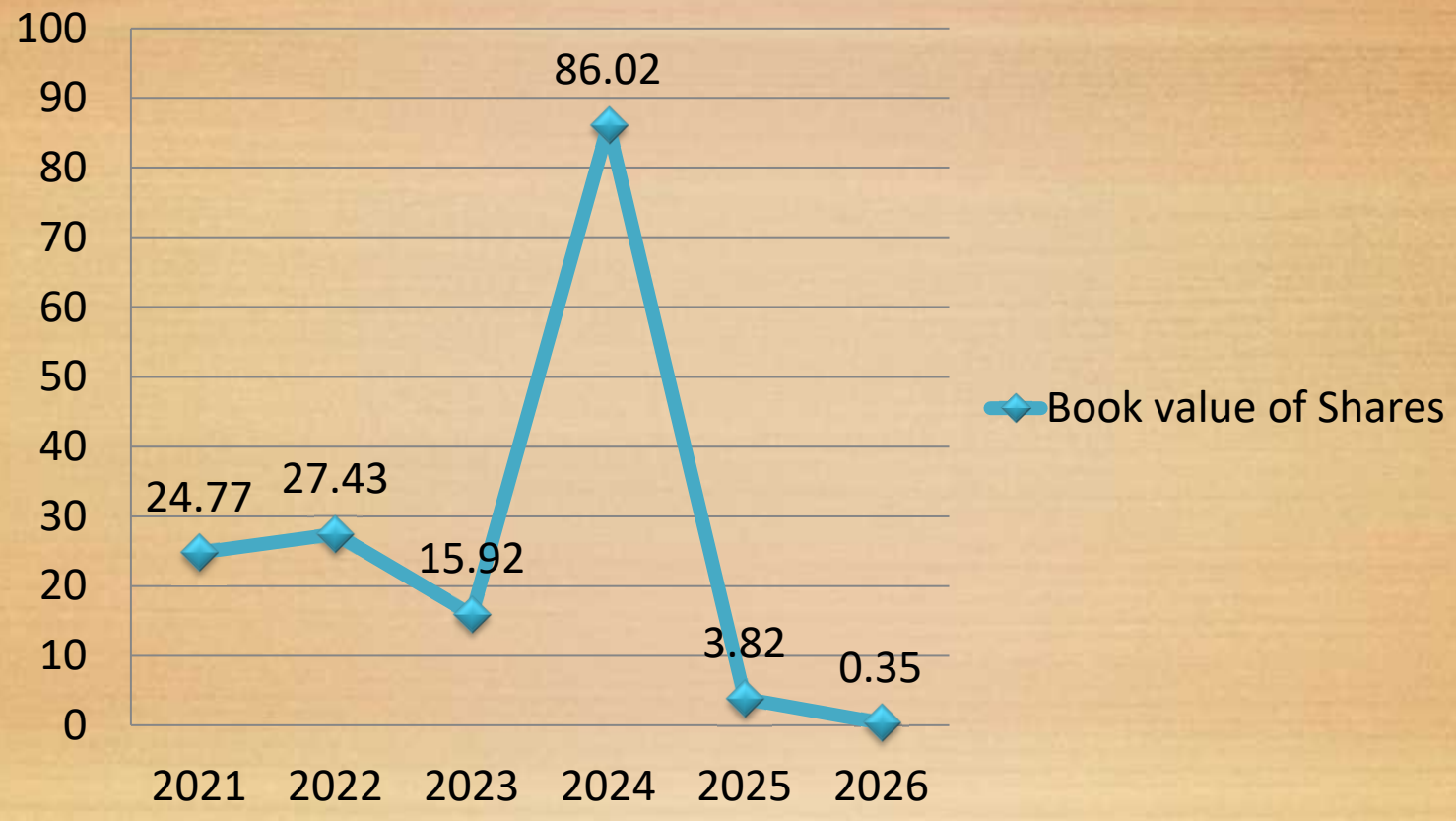
Profit/Loss From opreations

Rs. Millions



Gross loss representing after tax continued operation.	(4.327)
Gross loss representing after tax discontinued operation.	(69.327)

Book value of Shares



Total Equity



FUTURE OUTLOOK

The Board of Directors has approved financial projections of the company, which indicate that the company will earn profits and generate positive cash flow from operations. Key assumption underlying these projections include continuity of the existing lease arrangement, leasing out the reaming covered area, cessation of costs associated with the discontinued spinning operations upon completion of disposal related assets, and continued availability of loans from directors and sponsors .

Question and Answers

Thank you