SHAHTAJ TEXTILE

ISO 9001:2015
CERTIFIED

Financial Statements for the year ended June 30, 2025

Shahtaj Textile Limited

Contents

BOARD OF DIRECTORS	Mr. Muneer Nawaz	Chairman
	Mr. Taqi Mohammad	Chief Executive
	Mr. M. Naeem	
	Mr. Abid Nawaz	
	Mr. Aamir Amin (NIT)	
	Mr. Farooq Hassan	
	Mr. Syed Nadeem Ali Kazmi	
	Mr. Toqueer Nawaz	
	Mrs. Sadia Muhammad	
	Mr. Muhammad Usman Khalid	
COMPANY SECRETARY	Mr. Jamil Ahmad Butt, FCMA	
AUDIT COMMITTEE OF THE BOARD	Mr. Aamir Amin	Chairman
	Mr. Muneer Nawaz	Member
	Mr. Toqueer Nawaz	Member
	Mr. Muhammad Usman Khalid	Member
	Mrs. Sadia Muhammad	Member
	Mr. Jamil Ahmad Butt, FCMA	Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTE OF THE BOARD	Mr. Farooq Hassan	Chairman
	Mr. Muneer Nawaz	Member
	Mr. M. Naeem	Member
	Mr. Taqi Mohammad	Member
	Mr. Abid Nawaz	Member
	Mr. Jamil Ahmad Butt, FCMA	Secretary

AUDITORS

Yousuf Adil.
Chartered Accountants.
Cavish Court, A-35, Block 7 & 8 KCHS,
Shahrah-e-Faisal, Karachi 75350.

BANKS

Bank Alfalah Limited
United Bank Limited
Meezan Bank Ltd.
The Bank of Punjab
MCB Bank Limited
Faysal Bank Limited

LEGAL ADVISOR

Syed Ali Ahmad Tariq
Advocate Supreme Court of Pakistan.
Office No. 58-Chamber of Commerce &
Industry Building (Aiwan-e-Tijarat)
Nicol Road, Karachi-74000.

HEAD OFFICE

Shahnawaz Building, 19-Dockyard Road,
West Wharf, Karachi-74000
Ph: 32313934-8, 32312834, 32310973
Fax: 32205723, 32310623
Website: www.shahtaj.com

REGISTERED OFFICE

27-C Abdalian Cooperative
Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

MARKETING OFFICE

27-C Abdalian Cooperative
Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

FACTORY

46 K.M. Lahore/Multan Road
Chunian Industrial Estate
Bhai Pheru, Distt. Kasur, Punjab.
Ph: (049) 4540430-32, 4540133, 4540234
Fax: (049) 4540031

SHARE REGISTRAR

Jwaffs Registrar Services (Pvt.) Ltd.
Office # 20, 5th Floor, Arkay Square Extension,
New Chali, Shahrah-e-Liaquat, Karachi
Ph: (+92-21) 32440974-75
Email: jwaffsregistrar@gmail.com

To,

All the Shareholders,

Notice is hereby given to all the shareholders of SHAHTAJ TEXTILE LIMITED that the 36th Annual General Meeting of the Company will be held on Monday, the 27th October, 2025, at 11:30 AM at PC Hotel, Shahrah-e-Quaid-e-Azam, Lahore to transact the following ordinary business:

A. ORDINARY BUSSINESS

1. To confirm the minutes of last Annual General Meeting held on 24th October, 2024.

2. To consider and adopt audited Financial Statements of the Company for the year ended June 30, 2025 together with Auditors' and Directors' Reports thereon.

3. To approve a cash Dividend @ 55% i.e. Rs.5.50/- per share for the year ended June 30, 2025 as recommended by the Directors.

4. To appoint Auditors of the Company for the year 2025-2026 and to fix their remuneration. The present Auditors M/s. Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.

B. SPECIAL BUSSINESS

5. To consider and if thought fit to pass with or without modification the following as a Special Resolution:

   Resolved that Article 65 of the Articles of Association of the Company be amended to increase the remuneration of Directors for attending the meetings of the Board of Directors and of any Committees of the Board to Rs.75,000/- per meeting from existing Rs.50,000/-.

6. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

Karachi: September 25, 2025

(JAMIL AHMAD BUTT)
Company Secretary

Notes:

(1) BOOK CLOSURE:
The register of members of the Company will remain closed from 18th October, 2025 to 27th October, 2025 (both days inclusive). Transfers received in order by the Company's Share Registrar, M/s. JWAFFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi by the close of business on 17th October, 2025 will be considered in time for registration in the name of the transferees, and be eligible to attend and vote at the meeting.

(2) PARTICIPATION IN THE MEETING

a) Members, holding physical shares and holders of CDC Accounts and Sub-accounts for Company's shares in Central Depository Company Limited, who wish to attend this Meeting may do so by identifying themselves through their original CNIC/Passport and providing a copy thereof.

b) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

(3) APPOINTING PROXIES:

a) A member entitled to attend and vote at the General Meeting is also entitled to appoint another member as a proxy to attend and vote on his / her behalf. In case of a corporate entity, being a member, may appoint as its proxy any of its officials or any other person, through Board Resolution / Power of Attorney. The instrument appointing proxy must be received at the Registered Office of the Company or at the office of our Share Registrar or through email at jamilbutt@shahtaj.com not less than 48 hours before the time of the meeting. Copy of resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b) CDC Account Holders, while appointing proxies, will follow the prescribed guidelines as under:
   i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
   ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   iii) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and an attested copy of valid CNIC of the parson nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.
   iv) The proxy shall produce his / her original CNIC or original passport at the time of the AGM.

c) A blank proxy form is enclosed with this notice.

(4) CHANGE OF ADDRESS

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

(5) DEDUCTION OF INCOME TAX

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 (“Ordinance”) different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The Current withholding tax rates are as under:

(a) For the persons whose names are appearing on ATL: 15%
(b) For the persons whose names are not appearing on ATL: 30%

All the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of dividend, otherwise tax on their Dividend will be deducted @ 30% instead of @ 15%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective Participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company’s Share Registrar and Share Transfer Agent, M/s. JWAFFS REGISTRAR SERVICES (PVT) LIMITED.

The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective Folio Numbers.

As per FBR’s clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificates to our Shares Registrar; otherwise, tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly, as per the clarification issued by the FBR, withholding tax will be determined separately on ‘Filer / Non-Filer’ status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. All shareholders who hold shares jointly are therefore requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and

Folio / CDC Account No	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

(6) ELECTRONIC DIVIDEND MANDATE

Under the provisions of Section 242 of the Companies Act, 2017 it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly in to bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to provide details of the bank mandate specifying:

Title of Account, Account Number, Bank Name, Branch Name and Code, IBAN Number.

In case shares are held in physical form, please send this information duly signed along with a copy of CNIC to the registrar of the Company M/s. JWAFFS Registrar Services (PVT) Limited.

In case shares are held in CDC then Electronic Mandate Form must be submitted directly to shareholder’s broker participant/CDC account.
In case of non-receipt of the information the company will be constrained to withhold payment of dividend to such shareholders.

(7) DECLARATION OF RESIDENTIAL STATUS.

Non-resident shareholder(s) shall submit declaration of such undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of their residential status for the purposes of tax deduction on dividend to the Company Share Registrar latest by October 17, 2025. Member may send a declaration using a standard format as placed on Company's websites.

(8) PARTICIPATION THROUGH VIDEO CONFERENCING FACILITY

The shareholders can now participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at jamilbutt@shahtaj.com with subject of ‘Registration for AGM’ not less than 48 hours before the time of the meeting:

Name of Shareholders	CNIC No.	Folio No.	Cell No.	Email Address

Members who will be registered, after necessary verification as par the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 11:15 a.m. on the date of AGM till the end of the meeting.

(9) UNPAID DIVIDEND

An updated list of unclaimed dividend / Shares of the Company is available on the Company's website. It lists unclaimed dividend / shares which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable. Claims can be lodged by shareholders on claim form as is available on the Company's website. Claim forms must be submitted to the Company's Share Registrar, M/s. JWAFFS Registrar Services (PVT) Limited.

(10) CONVERSION OF PHYSICAL SECURITIES INTO BOOK ENTRY FORM

As per Sectio n 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In the light of the aforementioned directives, the Shareholders having physical shares are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

(11) POSTAL BALLOT

Pursuant to Companies (Postal Ballot) Regulations 2018, members are allowed to exercise their right to vote by post for the businesses classified as special business.

Intending sha reholders shall ensure that duly filled in and signed Ballot Papers along with copy of valid CNIC reach the Chairman of the meeting through post on the Company's registered address Shahtaj Textile Limited by 24th October, 2025 or email at chairman@shahtaj.com on or before this date during working hours. The signature on Ballot Papers should match with signatures on CNIC. For the convenience of shareholders, a specimen of Ballot Paper is attached, Ballot Paper is also available on the Company's website www.shahtaj.com for download.

(12) E-VOTING

Pursuant to Companies (Postal Ballot) Regulations 2018, members are allowed to exercise their right to vote through electronic voting facility for all businesses classified as Special Business.

Details of E-Voting facility will be shared through email with those members of the Company who have their valid CNIC numbers, Cell numbers and email address available with the Company by the close of business on 20th October, 2025.

The web address, log in details and password will be communicated to the members via email. The security code will be communicated through SMS from the web portal of Digital Custodian Company (being the e-voting service provider).

Identity for the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for log in.

E-voting lines will open from 24th October, 2025 at 9.00 A.M. and shall close on 26th October, 2025 at 5.00 P.M. Members can cast their votes any time during this period. A vote once cast by a member will not be allowed to be changed.

(13) TRANSMISSION OF ANNUAL REPORT

In terms of approval of the shareholders of the Company in their Extra Ordinary General Meeting held on 6th March, 2024 and pursuant to SECP's Notification No. SRO 389(1)/2023 dated 21st March, 2023 the Annual Report for the financial year ended on 30th June, 2025 of the Company containing inter alia the audited financial statements, auditors' report, directors, and chairman's reports thereon may be viewed and downloaded by following QR code and weblink:

Weblink	QR Code
https://shahtaj.com/index.php/financial	

The Annual Report will be emailed to those shareholders whose valid email address will be available with the Company.

The shareholders who wish to receive a hard copy of the Annual Report may send to the Company Secretary/Share Registrar, the Standard Request Form available on the website of the Company www.shahtaj.com. The Company then will provide a free of Cost hard copy of Annual Report to the shareholders within one week of the request.

(14) PROHIBITION OF GIFTS TO SHAREHOLDERS

In compliance to SECP Notification No. SRO452(1)/2025 dated March 17, 2025 it is notified that no gifts will be distributed to the shareholders at the meeting.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

For Special Business at Agenda Item No. 5

The fee for attending the meetings of the Board of Directors and its Committees was last fixed in December, 2020. It is now due for increase in line with other all-around changes.

The Directors are interested in this change to the extent of fees receivable by them on attending these meetings.

OUR VISION:

To attain leadership position in the textile sector in Pakistan.

OUR MISSION:

To make the name of Shahtaj synonymous with Quality by striving for the highest level of efficiency, productivity, profitability, customers satisfaction, congenial employees relations and profit sharing with shareholders.

OVERALL CORPORATE STRATEGY:

To develop and market products in the high-end of the textile sector through effective utilization of men, material and machines by encouraging, supporting and rewarding the employees, eliminating any waste, reducing costs aiming at establishing **SHAHTAJ TEXTILE LIMITED** as the most trusted, efficient and successful name among all stake-holders.

1. The directors will ensure implementation of Company's corporate strategy, keeping in view Company's vision and mission and complying with is Memorandum and Articles of Association.

2. They will provide due guidance and discharge their duties to the best of their ability.

3. They will attend meetings of Board of Directors, Audit Committee of the Board, any other Committee and General Meeting of Company.

4. They will disclose their interest in any contract and appointments of the company officers and ownership of company shares and any changes therein.

5. They will not engage in any business competing with the company's business.

6. They will not allow contribution by the company to any political party or for any political purpose to any individual or body.

7. They will ensure maintenance and upkeep of company property, other assets and its record.

8. They will strictly observe all laws of land in running of the company affairs.

9. All company employees will perform their duties faithfully, truly and to the best of their judgment, skill and ability according to company rules and policies.

10. Company employees will not divulge any information about the company or otherwise which comes to their knowledge during the course of employment to any person not connected therein either with in the company or outside.

11. Company employees will not involve in any indiscipline, misbehavior or misconduct, dishonesty, theft or fraud.

12. They will refrain from making commitments on behalf of the company beyond their delegated authority or detrimental to the interest of the company.

13. They will not engage directly or indirectly without the permission of the company in any other business or paid occupation while in the service of the company.

14. They will not give or take bribes or any illegal gratifications.

15. They will be punctual in attendance.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shahtaj Textile Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2025, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The nonexecutive and independent directors are equally involved in important decisions.

Muneer Nawaz

Karachi: September 25, 2025

(Muneer Nawaz)
Chairman

شاہ تاج ٹیکسٹائل لمٹیڈ کے بورڈ آف ڈائریکٹرز کا کوڈ آف کارپوریٹ گورنینس کے تحت درکار سالانہ جائزہ لیا گیا۔ اس جائزہ کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جاسکے۔

مالی سال 30 جون 2025 کے لئے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی گئی۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزے کے اطمینان بخش قرار پانے کی بنیاد ضروری اجزا کے انفرادی جائزے پر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمتِ عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور سرگرمیوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اپنی اور کمیٹیوں کے اجلاسات کے لئے ایجنڈا مع ضروری دستاویزات بروقت موصول ہوتے رہے اسی طرح کاروائی رپورٹس بھی۔ بورڈ اپنی ذمہ داریوں کی موثر طریقے سے انجام دہی کے لئے باقاعدگی سے اجلاس کرتا رہا۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابر شامل ہوتے رہے۔

Munir Nawaz

منیر شاہنواز

چیئرمین

کراچی مورخہ 25 ستمبر، 2025

Directors are pleased to present the 36th Annual Report of the Company for the Financial Year ended June 30, 2025.

Principal Activity

The principal business of the Company is production and sale of textile goods.

Financial Results and Prospects

By the grace of Allah, in spite of difficult market conditions, operating results of the Company have been positive and Company has earned an after tax profit of Rs. 110.983 million with an EPS of Rs 11.49 in comparison to Rs 2.81 reported during last year. Net Sales revenue for the year decreased by almost 16.8% i.e from Rs 7.953 billion to Rs. 6.620 billion. The decrease is mainly attributable to company's more concentration on sales orders against weaving charges only, against which yarn is arranged by customers, as explained in our quarterly reports. This has helped in the reduction of finance cost and minimum tax on turnover, resulting in higher profitability. Despite the pressure on manufacturing costs, particularly power costs, the GP rate increased to 9.78% from 8.47% of sales as compared to last year due to marketing efforts, efficient inventory procurement, operational efficiencies, and the generation of renewable energy.

Administration cost for the year increased due to inflationary effect. Finance cost during the year decreased on account of prudent financial management and reduction in policy rate.

To control power costs, the Company installed around 1 MW solar plant last year. The company is in the process of further adding around 3.3 MW solar plant in its Power basket to generate clean energy and reduce carbon footprint. LC in this regard has already been established and the plant is expected to become fully operational in the next quarter.

The textile industry in Pakistan would continue to encounter challenges as the rising energy cost remains a major obstacle to be competitive in domestic and global markets. Further, severe flooding due to climate change have added to the difficulties. It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, controlling the inflation rate and reducing the financial costs to create favourable environment for industrial growth and investment.

Company will continue to do its best to overcome these difficulties.

Dividend

To share the profits with the shareholder, Directors are pleased to recommend a 55 % cash dividend for this year. This payment is 47.87 % of after tax profit of the Company for the year 2024-25. A sum of Rs. 40 million is proposed to be transferred to general reserve.

Principal Risks and Uncertainties

The Company is exposed to the following risks and uncertainties: -

- Increase in prices of raw materials
- Fluctuating demand of local and international market
- Fluctuation in exchange rates
- Energy availability and cost
- Market disruption due to changes in tax laws and regulations to widen the tax net

Company takes these risks as a challenge and seeks to minimize potential adverse effects of these risks on the financial performance.

Internal Financial Controls

A system of sound internal control is established and prevailing in the Company. The system of internal control is designed in a manner to ensure achievement of Company's business objectives and operational efficiency, reliable financial reporting and compliance with various statutory laws.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company were observed between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Outstanding Statutory Payments

All outstanding payments are normal and of routine nature.

Code of Corporate Governance

Company is cognizant of all requirements of Code of Corporate Governance and is complying with the same. A Review Report by external auditors on Statement of Compliance is annexed.

Corporate and Financial Reporting Statements

a. The financial statements, prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b. Proper books of accounts have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the company's ability to continue as a going concern.

g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

Six Years Review

Key operating and financial data and ratios of the company for the last six years are annexed.

Board and its Committees

The total number of directors is ten as per the following:

a) Male: 9
b) Female: 1

Category	Names
Independent Directors	Mr. Aamir Amin (NIT) Mr. Farooq Hassan Mr. Syed Nadeem Ali Kazmi
Other Non-Executive Directors	Mr. Muneer Nawaz - Chairman Mr. Toqueer Nawaz Mr. Muhammad Usman Khalid Mr. Abid Nawaz
Female Non-Executive Director	Mrs. Sadia Muhammad
Executive Directors	Mr. Muhammad Naeem Mr. Taqi Mohammad - Chief Executive

The Board has formed committees comprising of members as below:

a) Audit Committee
- Mr. Aamir Amin (Chairman)
- Mr. Muneer Nawaz
- Mr. Toqueer Nawaz
- Mr. Muhammad Usman Khalid
- Mrs. Sadia Muhammad

b) HR and Remuneration Committee
- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Taqi Mohammad
- Mr. Abid Nawaz

Directors' Remuneration Policy

The Company does not pay remuneration to non-executive directors except fee for attending the meetings. However, the Company may repay to any director all such reasonable expenses as he/she may incur in attending meetings of the Board or of its committees or the General meeting or which he may otherwise incur in or about the business of the Company.

The remuneration of Chief executive, full time working directors or any other director for performing extra services is determined by the Board in accordance with the provision in the Company's Articles.

The information on remuneration of Directors and CEO during 2024-25 is disclosed in notes to the Financial Statements.

Pattern of Shareholding

The pattern of shareholding as on 30th June, 2025 listing the required details, is annexed.

Auditors

The Audit Committee of the Board has recommended the appointment of present Auditors, M/s. Yousuf Adil., Chartered Accountants, as Auditors of the Company for the year 2025-2026. Board agrees to this recommendation.

Corporate Social Responsibility

The detailed report on Corporate Social Responsibility is annexed and form integral part of this report.

Appreciation

Directors acknowledge with thanks the hard work put in by all the employees of the Company.

for and on behalf of the Board of Directors

Karachi: September 25, 2025

(Taqi Mohammad)
Chief Executive

(M. Naeem)
Director

ڈائریکٹرز مسرت کے ساتھ جون 2025 کو ختم ہونے والے مالی سال کے لئے کمپنی کی چھتیسویں سالانہ رپورٹ پیش کرتے ہیں۔

بنیادی کاروبار:۔

کمپنی کا بنیادی کاروبار ٹیکسٹائل مصنوعات کی پیداوار اور فروخت ہے۔

مالی حسابات اور امکانات:۔

اللہ کے فضل سے، مشکل مارکیٹ کی صورتحال کے باوجود، آپ کی کمپنی نے منافع بخش رہنے میں کامیابی حاصل کی ہے اور کمپنی کا بعد از ٹیکس منافع 110.983 ملین روپے رہا، یعنی 11.49 روپے فی حصّہ بالمقابل 2.81 روپے فی حصہ جو گزشتہ سال رپورٹ ہوا تھا۔ اس مدت کے لیے نیٹ سیلز ریونیو پچھلے سال کی اسی مدت کے مقابلے میں تقریباً 16.8 فیصد کم ہوا ہے۔ اور 7.953 بلیئن روپے سے گھٹ کر 6.620 بلیئن روپے ہو گیا ہے۔ یہ کمی بنیادی طور پر کمپنی کی زیادہ توجہ صرف بُنائی کے چارجز کے لیے سیلز آرڈرز کی جانب ہونے کی وجہ سے ہے، جس میں گاہک کی طرف سے دھاگا مہیا کیا جاتا ہے۔ جیسا کہ ہمارے سہ ماہی رپورٹس میں بھی وضاحت کی گئی تھی۔ اسی سے مالیاتی لاگت اور کاروباری حجم پر لاگو ہونے والے کم از کم ٹیکس میں کمی ہوئی ہے۔ مینوفیکچرنگ لاگت، خصوصاً توانائی کی قیمتوں میں بے مثال اضافہ کے باوجود مجموعی منافع کی شرح گزشتہ سال کے مقابلے میں 8.47 فیصد سے بڑھ کر 9.78 فیصد تک ہو گئی ہے جو کہ مارکیٹنگ کاوشوں، خام مال کی موثر خریداری، کام کرنے کے موثر طریقوں اور قابل تجدید توانائی کی پیداوار کی بدولت ہے۔

امسال انتظامی لاگت میں بھی اضافہ ہوا ہے جو کہ مہنگائی کے باعث ہے۔ مالیاتی لاگت میں امسال کمی آئی ہے جو کہ محتاط مالی انتظامات اور پالیسی شرح میں کمی کے باعث ہے۔

بجلی کے اخراجات پر قابو پانے کے لیے، کمپنی نے پچھلے سال تقریباً 1 میگاواٹ کا شمسی پلانٹ نصب کیا تھا۔ کمپنی اپنی بجلی کے ذرائع میں مزید تقریباً 3.3 میگاواٹ کا شمسی پلانٹ شامل کرنے کے لئے کوشاں ہے تا کہ صاف توانائی پیدا کی جاسکے اور کاربن کے اثرات کو کم کیا جاسکے۔ اس حوالے سے ایل سی (لیٹر آف کریڈٹ) پہلے ہی کھول دی گئی ہے اور توقع ہے کہ یہ پلانٹ آئندہ سہ ماہی میں مکمل طور پر فعال ہو جائے گا۔

پاکستان کی ٹیکسٹائل صنعت کو چیلنجز کا سامنا جاری رہے گا کیونکہ توانائی کی بڑھتی ہوئی قیمتیں ملکی اور عالمی مارکیٹوں میں مسابقت کے لیے ایک بڑی رکاوٹ ہیں۔ مزید برآں، موسمی تبدیلیوں کی وجہ سے شدید سیلابوں نے مشکلات میں اضافہ کر دیا ہے۔ امید کی جاتی ہے کہ حکومت کاروبار دوست پالیسیاں متعارف کروائے گی، جیسے کہ کم قیمت پر توانائی کی بلا تعطل فراہمی، مہنگائی کی شرح پر قابو پانا اور مالی اخراجات کو کم کرنا، تاکہ صنعتی ترقی اور سرمایہ کاری کے لیے سازگار ماحول پیدا کیا جاسکے۔

کمپنی ان مشکلات پر قابو پانے کے لیے اپنی بھرپور کوششیں جاری رکھے گی۔

ڈیویڈنڈ:۔

منافع میں حصص داران کو شریک کرنے کی غرض سے، ڈائریکٹرز نے اِس سال 55 فیصد نقد ڈیویڈنڈ کی سفارش کی ہے۔ یہ ادائیگی سال 2024-2025 کے منافع بعد از ٹیکس کا 47.87 فیصد ہے۔ 40 ملین روپے کی رقم جنرل ریزرو میں منتقل کرنے کی تجویز ہے۔

بنیادی خطرات اور غیر یقینی صورتحال:۔

کمپنی کو درج ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے۔

- خام مال کی قیمتوں میں اضافہ
- مقامی اور بین الاقوامی بازار میں طلب میں ردوبدل
- شرح تبادلہ میں ردوبدل
- توانائی کی دستیابی اور لاگت
- ٹیکس نیٹ کو بڑھانے کے لئے ٹیکس قوانین اور ضوابط میں تبدیلی کے باعث بازار کا متاثر ہونا

کمپنی ان خطرات کو ایک چیلنج کے طور پر لیتی ہے اور مالی کارکردگی پر ان خطرات کے ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتی ہے۔

اندرونی مالیاتی نظام:۔

کمپنی میں ایک مضبوط اندرونی مالیاتی نظام قائم اور رائج ہے۔ یہ اندرونی مالیاتی نظام اس طرح ڈیزائن کیا گیا ہے کہ وہ کمپنی کے کاروباری مقاصد، عملی قابلیت، قابل اعتماد مالی رپورٹنگ اور مختلف حکومتی قوانین کی تعمیل کو یقینی بنائے۔

مادی تبدیلیاں اور وعدے:۔

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کمپنی کی مالی حیثیت کو متاثر کرنے والی کسی اہم تبدیلیوں اور معاہدوں کا مشاہدہ نہیں کیا گیا۔

بقایا قانونی ادائیگی:۔

تمام بقایاجات معمول کے مطابق اور عام نوعیت کے ہیں۔

کمپنیوں کو چلانے کا طریقہ کار (کوڈ آف کارپوریٹ گورنینس):۔

کمپنی ان تمام ضروریات سے آگاہ ہے جو کمپنیوں کو چلانے کے طریقۂ کار (کوڈ آف کارپوریٹ گورنینس) میں مذکور ہیں اور ان کی پابندی کر رہی ہے۔ تعمیل کے تصدیقی بیان پر مشتمل بیرونی آڈیٹرز کی طرف سے جاری کی گئی ایک جائزہ رپورٹ لف ھذا ہے۔

کارپوریٹ اور مالیاتی رپورٹس پر مشتمل بیانات:۔

ا۔ انتظامیہ کی تیار کردہ یہ مالیاتی رپورٹس، آپریشنز کے نتائج، حصولِ زر اور استعمال نیز ایکویٹی میں ہونے والی تبدیلیوں کی درست عکاسی کرتی ہیں۔

ب۔ حسابی کتب مناسب طور پر رکھی گئی ہیں۔

پ۔ مالیاتی گوشواروں کی تیاری میں حسبِ سابق اکاؤنٹس کے درست اصولوں کو اختیار کیا گیا ہے اور حسابی اندازوں کی بنیاد معقول اور محتاط ہے۔

ت۔ حسابات کی تیاری میں اُن بین الاقوامی معیاروں کی، جن کا نفاذ پاکستان میں ہو چکا ہے، پیروی کی گئی ہے اور کسی بھی انحراف کو واضح طور پر ظاہر کیا گیا ہے۔

ٹ۔ اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط (مستحکم) اور مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی میں کی گئی ہے۔

ث۔ کمپنی کے چلتے رہنے کی صلاحیت ہر قسم کے شک وشبہ سے بالا ہے۔

ج۔ لسٹنگ ریگولیشنز میں درج کوڈ آف کارپوریٹ گورنینس کے بہترین طریقوں پر عمل درآمد میں کوئی قابلِ ذکر انحراف نہیں ہوا ہے۔

چھ سالہ جائزہ:۔

گزشتہ چھ سال کے کلیدی آپریٹنگ اور مالی اعداد و شمار اور نسبتوں کی تفصیل منسلک ہے۔

بورڈ آف ڈائریکٹر اور اُس کی کمیٹیاں:۔

ڈائریکٹرز کی کل تعداد 10 ہے جن کی تفصیل درج ذیل ہے:

ا) مرد: 9 ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

اقسام / کیٹگری	نام
انڈیپنڈینٹ ڈائریکٹر / آزاد ڈائریکٹر	جناب عامر امین (این آئی ٹی)
	جناب فاروق حسن
	جناب سید ندیم علی کاظمی
دیگر غیر انتظامی ڈائریکٹرز	جناب منیر نواز
	جناب توقیر نواز
	جناب محمد عثمان خالد
	جناب عابد نواز
خاتون غیر انتظامی ڈائریکٹر	محترمہ سعدیہ محمد
ایگزیکٹو ڈائریکٹر / انتظامی ڈائریکٹرز	جناب محمد نعیم
	جناب تقی محمد

بورڈ نے جو کمیٹیاں تشکیل دی ہوئی ہیں، ان کے ممبران درج ذیل ہیں:

الف) آڈٹ کمیٹی

- جناب عامر امین (چیئرمین)
- جناب منیر نواز
- جناب توقیر نواز
- جناب محمد عثمان خالد
- محترمہ سعدیہ محمد

ب) ایچ آر اینڈ ریمونیریشن کمیٹی

- جناب فاروق حسن (چیئرمین)
- جناب منیر نواز
- جناب محمد نعیم
- جناب تقی محمد
- جناب عابد نواز

ڈائریکٹران کے معاوضہ کی پالیسی:۔

کمپنی انتظامی معاملات میں شامل نہ ہونے والے ڈائریکٹرز (نان ایگزیکٹو ڈائریکٹر) کو میٹنگ میں شمولیت کی فیس کے علاوہ کسی قسم کی ادائیگی نہیں کرتی۔ البتہ کسی بھی ڈائریکٹر کو بورڈ یا اس کی کمیٹیوں یا عام اجلاس میں شرکت پر ہونے والے اخراجات کی ادائیگی کرتی ہے یا کسی ایسے خرچ کی جو وہ کمپنی کے کاروبار یا اس سے متعلق کریں۔

چیف ایگزیکٹو، فل ٹائم کام کرنے والے ڈائریکٹرز یا کسی بھی دیگر ڈائریکٹر کی اضافی خدمات انجام دینے کے عوض معاوضہ / تنخواہ بورڈ آف ڈائریکٹرز کے ذریعے کمپنی کے آرٹیکلز میں دی گئی شقوں کے مطابق طے کیا جاتا ہے۔

ڈائریکٹرز اور چیف ایگزیکٹو کو دورانِ سال 2024-2025 میں دیئے جانے والے معاوضہ کے بارے میں تمام معلومات مالی بیانات کے نوٹس میں دے دی گئی ہیں۔

حصہ داروں کی تفصیل (پیٹرن آف شئیر ہولڈرز):۔

مالی سال 30 جون 2025 کے اختتام پر قواعد کے مطابق درکار حصہ داران کی تفصیل منسلک ہے۔

آڈیٹر:۔

بورڈ کی آڈٹ کمیٹی نے موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹ کی مالی سال 2025-2026 کے لئے بطور آڈیٹر تقرری کی سفارش کی ہے۔ بورڈ اس سفارش سے متفق ہے۔

معاشرتی و سماجی ذمہ داریوں:۔

معاشرتی و سماجی ذمہ داری سے متعلق مفصل رپورٹ منسلک ہے اور اس رپورٹ کا لازمی جزو ہے۔

حوصلہ افزائی:۔

ڈائریکٹرز کمپنی کے تمام ملازمین کی انتھک محنت کا شکر گزاری کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

کراچی	(تقی محمد)	(ایم۔ نعیم)
25 ستمبر 2025	چیف ایگزیکٹو افسر	ڈائریکٹر

In recognition of its social responsibility, Company is regularly contributing reasonably in the interests of its clients, suppliers, employees and environment.

Clients

At STL, we are committed to quality, excellence and customer satisfaction. In order to improve the quality of service, we ensure to meet the expectations of our customers and their complete satisfaction. The STL Quality Management Program includes surveys and audit process conducted regularly both internally and through external companies.

Suppliers

We work and collaborate with leading industry suppliers that meet a code of ethics and respect for the environment. We strive to provide equal opportunities and encourage the purchase of local and national products, always under strict environmental control of raw materials. For each one of them and for the most important products, we ask for the appropriate technical specification.

The products we use are mostly of recognized brands, companies committed to the environment and immersed in Quality Policy and recognized Certifications like ISO, etc.

Environment& Society

At STL, we work to contribute to sustainable development and protect the natural resources of our environment. We promote awareness, training and dissemination of good environmental practices among our customers, suppliers and employees. The goal is to instill a sense of energy and water savings. We have been successful in a way that this activity is also carried into the homes of our employees.

Saving natural resources, water and energy.

- Monitoring of waste control and efficient use of water and energy.
- Turning off lights, fans, closing refrigerators,air conditionsor other electronic equipments when not in use.
- Use of energy saving lamps, lighting using white light energy-saving bulbs and energy-saving LED systems.

Severe energy crisis in our country is not only adversely impacting the national economy but also is a matter of depression for general public as long hours of load shedding of electricity has disturbed peaceful lives of the citizens. STL has shared national burden by investing millions of Rupees in the power generation facilities through gas generators.

At STL, we always ensure to be a responsible corporate citizen and assist government through timely deposit of taxes and other duties in government treasury.

Employees

At STL, we value people. We believe and work for them. We know that the foundation of our company is its human capital. This is why measures are taken to ensure the motivation and involvement of our employees.

Our system of recruitment, hiring, compensation, professional development, participation ensures equal opportunities and non-discrimination. We ensure the basic measures of health, safety and risk prevention, in addition to implementing the measures necessary to ensure good working atmosphere. We provide tools that foster transparent and bidirectional communication.

Few of the initiatives that have been undertaken in this regard are as follow:

- To offer market-based remuneration packages and bonuses to employees to motivate and acknowledge their valuable services.
- Provision of family and single accommodation to most of the employees in the colony of the Company.
- Provision of food on subsidized rates to all regular employees of the Company.
- Training of employees for firefighting equipment, first aid procedures and evacuation drills.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 10 as per the following:
   a) Male: 9
   b) Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent directors	Mr. Farooq Hassan
	Mr. Aamir Amin
	Mr. Syed Nadeem Ali Kazmi
Non-executive directors	Mr. Muneer Nawaz
	Mr. Toqueer Nawaz
	Mr. Muhammad Usman Khalid
	Mr. Abid Nawaz
Female non-executive director	Mrs. Sadia Mohammad
Executive directors	Mr. Muhammad Naeem Mr. Taqi Muhammad - Chief Executive Officer

* The Company has three independent directors out of ten directors. Fractional requirement for independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.

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 has been taken to disseminate it throughout the company along with 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 the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 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 the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Out of total ten directors of the Company, two have minimum of 14 years of education and 15 years of experience on the board of a listed company and therefore are exempt from Directors Training Program (DTP). Six other directors have already completed the Director's Training Program from Pakistan Institute of Corporate Governance (PICG) earlier. Further, one director attended the Director's Training Program during the current year. The Company, however, intends to facilitate further training for the remaining one Director in near future as defined in these Regulations.

10. There was no fresh appointment of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HOIA) during the year ended June 30, 2025. 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;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee
- Mr. Aamir Amin (Chairman)
- Mr. Muneer Nawaz
- Mr. Toqueer Nawaz
- Mr. Muhammad Usman Khalid
- Mrs. Sadia Muhammad

b) HR and Remuneration Committee
- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Taqi Muhammad
- Mr. Abid Nawaz

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the aforesaid committees were as per following:
    a) Audit Committee: 4 quarterly meetings during the financial year ended June 30, 2025.
    b) Human Resource and Remuneration Committee: One meeting was held during the financial year ended June 30, 2025;

15. The Board has outsourced the internal audit function to firm of Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. 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;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with subject to below explanation;

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Reg. No.	Non-Mandatory Requirement	Explanation
1	**Sustainability Risks and opportunities and Diversity, Equity and Inclusion (DE&I)** The Board has been made responsible to consider Sustainability risks and opportunities and make policies to promote DE&I and make strategies, priorities and targets to create long term corporate value. The board is also required to periodically review and monitor and disclose the assessment of risks and disclose measures taken. The board may establish a dedicated sustainability committee.	The Board is committed to diligently overseeing and addressing sustainability risks and opportunities as laid down in Regulation 10-A of the Code introduced by the SECP. The Board is in process to meet the requirements.
2	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The Board has not formed the 'Nomination Committee' as responsibilities of this committee are being taken care of at the Board Level as and when required. Therefore, a need for the separate formation of this committee does not exist-
3	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board	The Board has not formed the 'Risk Management Committee' as responsibilities of this committee are being taken care of at the Board Level as and when required. Therefore, a need for the separate formation of this committee does not exist.
4	**Directors' Training Program** It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program. Further, it is encouraged to arrange DTP for head of departments and female executives every year.	Out of ten directors, only one director has not attended the DTP. The Company's management remains committed to upholding the requirements of the Director's Training Program with sincerity and humility for remaining one director and other head of departments.

for and on behalf of the Board of Directors

(Taqi Mohammad)
Chief Executive

(Muneer Nawaz)
Chairman

Karachi: September 25, 2025

TO THE MEMBERS OF SHAHTAJ TEXTILE LIMITED

Review Report on Statement of the 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 Shahtaj Textile Limited (the Company) for the year ended June 30, 2025 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. 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.

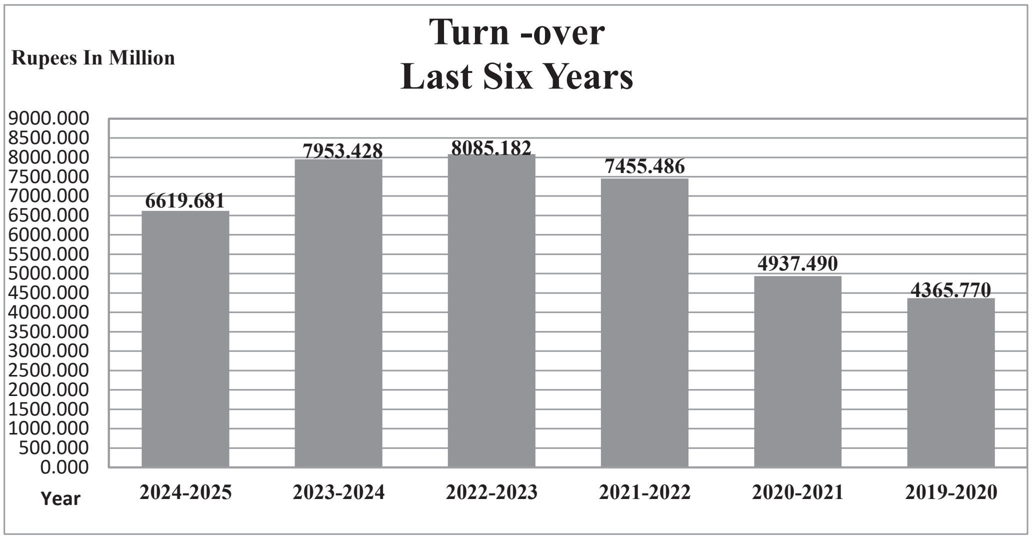
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

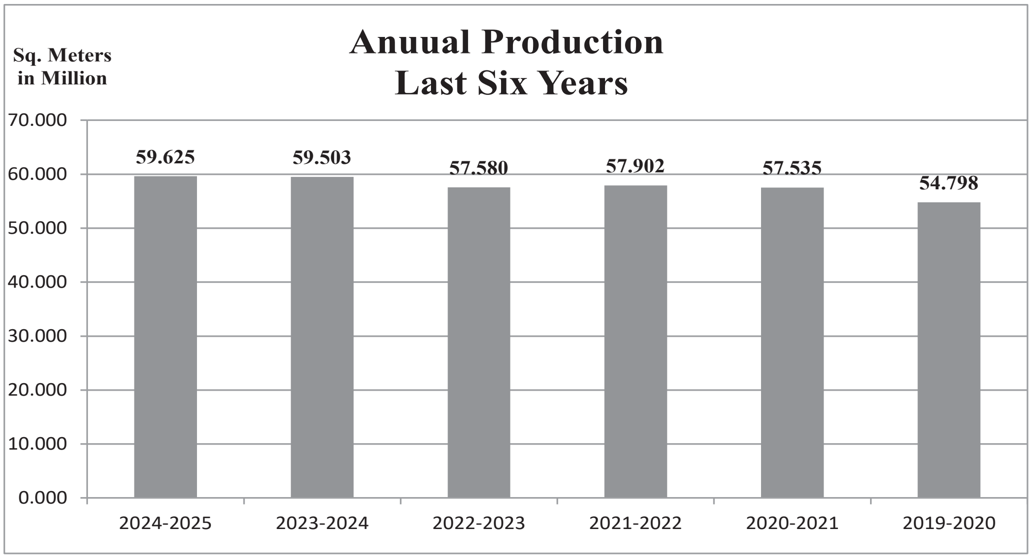
Yousuf Adil

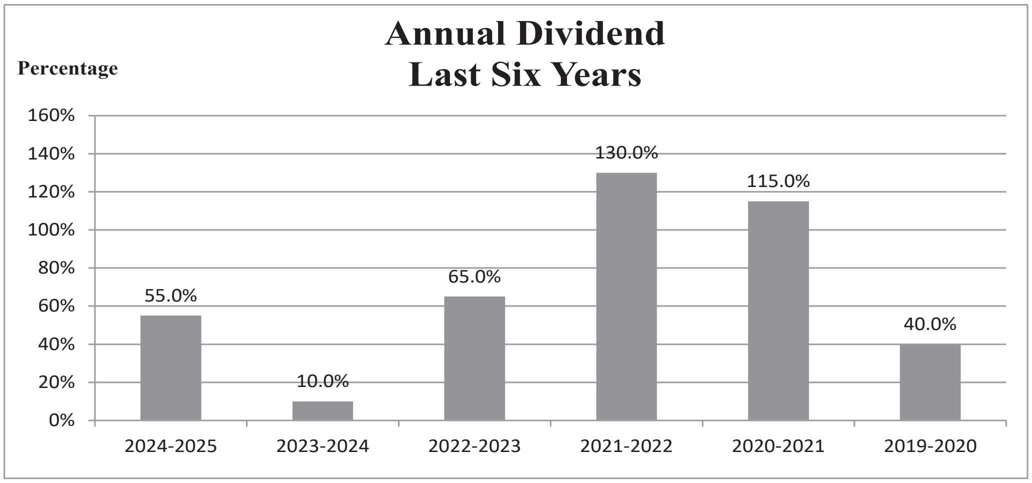
Chartered Accountants

Karachi: September 30, 2025
UDIN: CR2025101861CkWMh4DT

	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
	All figures are in Million Rupees other than where percentages and ratio sign appear.					
Ratios						
PROFIT AND LOSS ACCOUNT						
Net turnover	**6,619.681**	7953.428	8085.182	7455.486	4937.494	4365.769
Gross Profit	**647.734**	673.309	640.937	732.981	550.265	421.282
Operating Profit	**389.067**	406.482	451.497	488.181	334.952	193.314
Profit before tax	**199.759**	88.477	237.155	401.726	287.541	113.095
Profit after tax	**110.983**	27.192	153.018	300.049	216.959	72.571
Earning per share (Rs.)	**11.49**	2.81	15.84	31.06	22.46	7.51
Cash dividend	**55%**	10%	65%	130%	115%	40%
Dividend payment ratio	**47.87%**	35.59%	41.03%	41.85%	51.2%	53.2%
Cash distribution per share in Rupees	**5.50**	1.00	6.50	13.00	11.50	4.00
BALANCE SHEET						
Shareholder funds	**96.600**	96.600	96.600	96.600	96.600	96.600
Reserves	**1610.67**	1489.82	1493.776	1449.659	1228.449	1037.349
Surplus on revaluation of plant & machinery	**662.664**	205.822	197.980	220.081	258.368	63.066
Property plant and equipment	**2193.843**	1862.143	1632.173	1706.679	1409.436	1152.175
Long term finance	**569.228**	714.003	870.496	958.625	569.753	513.501
Net current assets / liabilities	**832.226**	712.775	1160.199	1117.642	868.866	636.015
INVESTOR INFORMATION						
Gross profit ratio	**9.78%**	8.47%	7.93%	9.83%	11.14%	9.65%
Profit before tax ratio	**3.02%**	1.11%	2.93%	5.39%	5.82%	2.59%
Return on equity	**5.33%**	1.52%	8.61%	17.91%	15.61%	6.01%
Long term debt to equity ratio	**24%**	28%	49%	54%	36%	48%
Current ratio	**1.58**	1.39	1.61	1.55	1.83	1.63
Interest cover ratio	**2.05**	1.28	2.11	5.65	7.06	2.41
STATEMENT OF VALUE ADDITION						
Employees remuneration	**555.661**	468.892	422.211	371.495	335.083	317.886
Government as taxes	**1109.352**	1295.017	1215.611	1147.006	778.615	699.546
Shareholders as dividend	**53.130**	9.660	62.790	125.580	111.09	38.64
Retained with in business	**57.800**	17.522	90.228	174.469	105.87	33.93
Financial charges to providers of finance	**189.308**	318.005	214.342	86.455	47.411	80.219


Turn -over
Last Six Years
Rupees In Million
9000.000
8500.000
8000.000
7500.000
7000.000
6500.000
6000.000
5500.000
5000.000
4500.000
4000.000
3500.000
3000.000
2500.000
2000.000
1500.000
1000.000
500.000
0.000
6619.681
7953.428
8085.182
7455.486
4937.490
4365.770
Year
2024-2025
2023-2024
2022-2023
2021-2022
2020-2021
2019-2020


Anuual Production
Last Six Years
Sq. Meters
in Million
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0.000
59.625
59.503
57.580
57.902
57.535
54.798
2024-2025
2023-2024
2022-2023
2021-2022
2020-2021
2019-2020


Annual Dividend
Last Six Years
Percentage
160%
140%
120%
100%
80%
60%
40%
20%
0%
55.0%
10.0%
65.0%
130.0%
115.0%
40.0%
2024-2025
2023-2024
2022-2023
2021-2022
2020-2021
2019-2020

Pattern of shares held by shareholders AS AT JUNE 30, 2025 is as under:

SERIAL NUMBER	NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
1	367	1	-	100	12,176
2	149	101	-	500	52,946
3	504	501	-	1,000	295,284
4	73	1,001	-	5,000	166,207
5	10	5,001	-	10,000	68,321
6	4	10,001	-	15,000	49,979
7	4	15,001	-	20,000	70,825
8	4	20,001	-	25,000	92,520
9	2	25,001	-	30,000	52,689
10	1	30,001	-	35,000	32,100
11	2	35,001	-	40,000	74,225
12	3	40,001	-	45,000	124,193
13	4	45,001	-	50,000	199,500
14	1	50,001	-	55,000	54,000
15	1	85,001	-	90,000	85,800
16	1	105,001	-	110,000	107,743
17	2	110,001	-	115,000	227,500
18	1	115,001	-	120,000	118,000
19	1	145,001	-	150,000	149,585
20	1	175,001	-	180,000	177,872
21	1	195,001	-	200,000	199,500
22	1	270,001	-	275,000	271,584
23	1	285,001	-	290,000	289,655
24	1	290,001	-	295,000	294,821
25	1	295,001	-	300,000	300,000
26	1	305,001	-	310,000	306,000
27	1	310,001	-	315,000	311,904
28	1	320,001	-	325,000	320,964
29	1	345,001	-	350,000	350,000
30	1	350,001	-	355,000	352,243
31	1	395,001	-	400,000	396,750
32	1	475,001	-	480,000	475,726
33	1	525,001	-	530,000	529,670
34	1	555,001	-	560,000	555,200
35	1	590,001	-	595,000	591,736
36	1	750,001	-	755,000	752,782
37	1	1,145,001	-	1,150,000	1,150,000
	1,152				**9,660,000**

The slabs with nil olding have been ommitted.

PATTERN OF SHARE HOLDING AS AT JUNE 30, 2025

SHARE HOLDER'S CATEGORY		Number of Share Held	Percentage of shareholding
(i)	**Directors,Chief Executive Officer, and their spouse(s) and minor childern (name wise details);**		
1	Mr. Muneer Nawaz (Chairman)	591,736	
	Mrs. Abida Muneer Nawaz (Wife)	396,750	
2	Mr. M. Naeem	662,943	
	Mrs. Amtul Bari Naeem (Wife)	835,670	
3	Mr. Taqi Muhammad (CEO)	500	
4	Mrs Sadia Mohammad (Wife)	302,500	
5	Mr. Abid Nawaz	177,872	
6	Mr. Toqueer Nawaz	374,964	
7	Mr. Muhammad Usman Khalid	330,005	
8	Mr. Farooq Hassan	500	
9	Mr. Syed Nadeem Ali Kazmi	500	
		3,673,940	**38.03%**
(ii)	**Associated Companies, undertaking & related parties (name wise details);**		
	Shahtaj Sugar Mills Limited	1,150,000	
	Shahnawaz (Private) Limited	350,000	
		1,500,000	**15.53%**
(iii)	**NIT and ICP**		
	CDC-Trustee National Investment (Unit) Trust (Represented on Board of Directors)	475,726	
		475,726	**4.92%**
(iv)	Banks, Development Finance Institutions, Non Banking Fiancial Institution	**15,342**	**0.16%**
(v)	**Insurance Companies**	-	-
(vi)	**Modarabas and Mutual Funds**	-	-
(vii)	**General Public**		
	Local	3,942,962	
	Foreign	-	
		3,942,962	**40.82%**
(viii)	**Others**		
	Joint Stock Companies	7,011	
	Provident / Pension Funds and Miscelaneous	45,019	
		52,030	**0.54%**
		9,660,000	**100.00%**
	Shareholder holding 10% or more voting rights in the listed company (name wise details);		
	Shahtaj Sugar Mills Limited	**1,150,000**	**11.90%**

TO THE MEMBERS OF SHAHTAJ TEXTILE LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Shahtaj Textile Limited** (the Company), which comprise the statement of financial position as at **June 30, 2025,** and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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 the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Valuation of stock in trade	
(Refer notes 3.3 and 16 to the accompanying financial statements) As at June 30, 2025, the Company held stock-in-trade amounting to Rs. 1,037.549 million, which is 23% of total assets. We focused on stock-in-trade as it is a significant portion of Company's total assets and the valuation of finished goods within stock-in-trade at cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Further, judgments are also involved in determining the net	Our key audit procedures to address the valuation of stock-in-trade, included the following: • Obtained an understanding of mechanism of recording purchases and valuation of stock- in- trade and evaluated their design and implementation; • Tested on a sample basis purchases with underlying supporting documents; • Evaluated the calculations of the actual labour and overhead costs and checked allocation of labour and overhead costs to finished goods;

Key audit matter	How our audit addressed the key audit matter
realizable value of stock-in-trade items in line with the accounting policy.	• Checked the calculations of net realizable value of itemized list of stock-in-trade, on a sample basis and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy; • Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2025, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) 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;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Ali.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: September 29, 2025

UDIN: AR202510186VDHJx8wiX

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	**June 30, 2025**	June 30, 2024
		------- **(Rupees in '000)** -------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
10,000,000 ordinary shares of Rs. 10 each		**100,000**	100,000
Issued, subscribed and paid-up capital	4	**96,600**	96,600
Revenue reserves	5	**1,610,670**	1,489,820
Surplus on revaluation of plant and machinery	5	**662,664**	205,821
Total equity		**2,369,934**	1,792,242
LIABILITIES			
Non-current liabilities			
Long-term finance	6	**569,228**	714,003
Deferred liabilities	7	**123,153**	103,367
		692,381	817,370
Current liabilities			
Trade and other payables	8	**808,198**	858,972
Unclaimed dividend		**41,026**	40,418
Interest accrued	9	**13,666**	50,215
Short-term borrowings	10	**426,356**	749,873
Current portion of long-term finance	6	**143,710**	141,580
		1,432,956	1,841,058
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		**4,495,271**	4,450,670

	Note	**June 30, 2025**	June 30, 2024
		------- **(Rupees in '000)** -------	
ASSETS			
Non-current assets			
Property, plant and equipment	12	**2,193,843**	1,862,143
Long-term loans	13	**489**	260
Long-term deposits	14	**35,757**	34,434
		2,230,089	1,896,837.26
Current assets			
Stores, spares and loose tools	15	**96,571**	65,446
Stock-in-trade	16	**1,037,549**	1,112,302
Trade debts	17	**872,819**	1,067,253
Loans and advance	18	**15,162**	17,018
Trade deposits and prepayments	19	**2,586**	3,105
Taxation - net	20	**71,433**	49,612
Other receivables	21	**6,062**	6,818
Short term investment	22	**51,013**	38,000
Sales tax refundable		**81,931**	159,916
Cash and bank balances	23	**30,056**	34,363
		2,265,182	2,553,833
TOTAL ASSETS		**4,495,271**	4,450,670

The annexed notes from 1 to 47 form an integral part of these financial statements.

(Taqi Mohammad)	(Amir Ahmed)	**(M. Naeem)**
Chief Executive	Chief Financial Officer	Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	**June 30, 2025**	June 30, 2024
		(Rupees in '000)	
Revenue from contact with customers - net	24	**6,619,681**	7,953,428
Cost of goods sold	25	**(5,971,947)**	(7,280,119)
Gross profit		**647,734**	673,309
Distribution expenses	26	**(108,088)**	(110,720)
Administrative expenses	27	**(178,156)**	(150,405)
Other operating expenses	28	**(16,203)**	(40,906)
Finance cost	29	**(189,308)**	(318,005)
		(491,755)	(620,036)
		155,979	53,273
Other income	30	**43,780**	35,204
Profit before levies and taxes		**199,759**	88,477
Levies	31	**(88,776)**	(95,537)
Profit / (loss) before taxation		**110,983**	(7,060)
Taxation	31	**-**	34,252
Profit for the year		**110,983**	27,192
		Rupees	
Earnings per share - basic and diluted	32	**11.49**	2.81

The annexed notes from 1 to 47 form an integral part of these financial statements.

(Taqi Mohammad)	(Amir Ahmed)	**(M. Naeem)**
Chief Executive	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	**June 30, 2025**	June 30, 2024
		(Rupees in '000)	
Profit after taxation		**110,983**	27,192
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of plant and machinery		**477,577**	-
Recognnition of deferred tax		**-**	-
Total other comprehensive income - net of tax		**477,577**	-
Deferred tax related to change of rate on surplus on revaluation		**-**	31,092
(Loss) / Gain on remeasurement of defined benefit obligation	7.1.5	**(1,208)**	8,392
Impact of deferred tax thereon	7.2	**-**	-
		(1,208)	8,392
Other comprehensive income / (loss) for the year		**476,369**	39,484
Total comprehensive income for the year		**587,352**	66,676

The annexed notes from 1 to 47 form an integral part of these financial statements.

(Taqi Mohammad)
Chief Executive

(Amir Ahmed)
Chief Financial Officer

(M. Naeem)
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**110,983**	(7,060)
Adjustments for:			
Depreciation	12.2	**184,084**	165,413
Finance cost	29	**189,308**	318,005
Gain on disposal of property, plant and equipment	30	**(3,945)**	(2,525)
Provision for leave encashment	8.4	**7,275**	6,518
Unrealised exchange (gain) / loss	30.2	**(13,423)**	3,006
Provision for gratuity	7.1.3	**35,889**	34,854
Stores and spares written off	28	**1,140**	3,543
Stock in trade written off		**1,196**	58
Interest income	30	**(6,660)**	(31,934)
Levies		**88,776**	95,537
Operating cash flows before movements in working capital		**594,623**	585,415
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(32,265)**	10,182
Stock-in-trade		**73,557**	140,839
Trade debts		**207,598**	11,742
Loans and advances		**1,856**	(13,945)
Trade deposits and prepayments		**519**	286,765
Other receivables		**154**	2,516
Sales tax refundable		**77,985**	91,274
Decrease in current liabilities			
Trade and other payables		**(51,523)**	(57,708)
Cash generated from operations		**872,504**	1,057,080
Gratuity paid	7.1.1	**(17,311)**	(24,852)
Leave encashment paid	8.4	**(6,526)**	(6,041)
Finance cost paid		**(225,857)**	(319,186)
Income taxes and levies paid		**(110,597)**	(88,589)
Net cash generated from operating activities		**512,213**	618,412
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(39,900)**	(397,036)
Proceeds from disposal of property, plant and equipment		**5,638**	4,178
Long-term deposit		**(1,323)**	(1,296)
Long-term loans		**(229)**	183
Interest received during the year		**7,262**	29,661
Investment made during the year		**(13,013)**	(38,000)
Net cash used in investing activities		**(41,565)**	(402,310)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long-term finance	6.1	**(142,645)**	(96,461)
Short term borrowings obtained/paid - net		**(128,687)**	185,421
Dividend paid	33	**(9,052)**	(57,922)
Net cash used in financing activities		**(280,384)**	31,038
Net increase in cash and cash equivalents		**190,264**	247,140
Cash and cash equivalents at the beginning of the year		**(530,089)**	(777,229)
Unrealised exchange gain on cash and cash equivalent		**259**	-
Cash and cash equivalents at the end of the year	34	**(339,566)**	(530,089)
Cash and cash equivalents at the end of the year			
Short-term borrowings - Running finances under markup arrangement		**(369,622)**	(564,452)
Cash and bank balances		**30,056**	34,363
		(339,566)	(530,089)

The annexed notes from 1 to 47 form an integral part of these financial statements.

(Taqi Mohammad)	(Amir Ahmed)	**(M. Naeem)**
Chief Executive	Chief Financial Officer	Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

		Revenue reserve		Capital reserve	
	Issued, Subscribed and Paid up Capital	General	Unappropriated profit	Surplus on revaluation of plant and machinery	Total
	-----------------------------	(Rupees in '000)	----------------------------------		
Balance as at July 01, 2023	96,600	1,085,000	408,776	197,980	1,788,356
Total comprehensive income for the year ended June 30, 2024					
Profit for the year	-	-	27,192	-	27,192
Other comprehensive income	-	-	8,392	31,092	39,484
	-	-	35,584	31,092	66,676
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	22,901	(22,901)	-
- disposal net of deferred tax	-	-	349	(349)	-
Transferred to general reserve	-	50,000	(50,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2023 @ Rs. 6.50 per share	-	-	(62,790)	-	(62,790)
Balance as at June 30, 2024	96,600	1,135,000	354,820	205,822	1,792,242
Total comprehensive income for the year ended June 30, 2025					
Profit after taxation	**-**	**-**	**110,983**	**-**	**110,983**
Other comprehensive income	**-**	**-**	**(1,208)**	**477,577**	**476,369**
	-	**-**	**109,775**	**477,577**	**587,352**
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation	**-**	**-**	**20,575**	**(20,575)**	**-**
- disposal	**-**	**-**	**160**	**(160)**	**-**
Transferred to general reserve	**-**	**15,000**	**(15,000)**	**-**	**-**
Transactions with owners					
Final dividend for the year ended June 30, 2024 @ Rs. 1.00 per share	**-**	**-**	**(9,660)**	**-**	**(9,660)**
Balance as at June 30, 2025	**96,600**	**1,150,000**	**460,670**	**662,664**	**2,369,934**

The annexed notes from 1 to 47 form an integral part of these financial statements.

(Taqi Mohammad)	(Amir Ahmed)	**(M. Naeem)**
Chief Executive	Chief Financial Officer	Director

1 STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is manufacture and sale of textile goods.

Following are the geographical locations and addresses of the Company:

Head Office

Shahnawaz Building, 19 - Dockyard Road, West Wharf, Karachi, Sindh, Pakistan.

Manufacturing Facility/Plant

46 KM, Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab, Pakistan.

Registered Office

27-C, Abdalian Cooperative Housing Society Limited, opposite expo center, Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 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.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis modified by:

- revaluation of plant and machinery; and

- obligation under defined benefit plan at net present value.

2.3 Presentation and functional currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for Gratuity (notes 3.7 and 7.1)
- Provision for levies, taxation and deferred tax (notes 3.12, 3.13, 7.2 and 31);

- Contingencies and commitments (notes 11)
- Useful lives and residual values of property, plant and equipment (notes 3.1 and 12.1)
- Revaluation of plant and machinery (notes 3.1 and 12.1)
- Net realizable value of stores, spares and loose tools (notes 3.2 and 15) and stock in trade (notes 3.3 and 16) ;
- Impairment of financial assets (notes 3.5.4 and 17)
- Impairment of non financial assets (notes 3.20)

2.5 NEW ACCOUNTING STANDARD AND AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS

2.5.1 Amendments to accounting standards that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements

2.5.2 New standard and amendments to accounting standards that are not yet effective

The following new standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. New standard and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – 'Insurance Contracts' (including amendments made in June 2020 and December 2021)	January 01, 2027
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Property, plant and equipment, except plant and machinery, are stated at cost less accumulated depreciation and impairment loss, if any.

Plant and machinery is stated at revalued amount, being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date. At the date of revaluation, the gross carrying amount of plant and machinery is restated proportionately to the change in the carrying amount, with accumulated depreciation adjusted accordingly after considering any impairment losses.. Any revaluation increase arising on the revaluation of such assets is recognised, net of tax, in statement of comprehensive income and presented as a separate component of equity as “Revaluation surplus on plant and machinery“ except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in statement of profit or loss, in which case the increase is first recognised in statement of profit or loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in statement of comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company’s shareholders. The Company has adopted the following accounting treatment of depreciation on revalued assets.

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of profit or loss; and

b) an amount equal to incremental depreciation for the year net of deferred tax is transferred from “Surplus on revaluation of plant and machinery” to unappropriated profits through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rate specified in note 12.1, whereby the cost of the asset is written over its useful life. Depreciation on all additions in property, plant and equipment is charged from the month in which the asset is available for use and on disposals up to the month preceding the month of disposal.

Assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable). Transfers are made to relevant asset category as and when assets are available for intended use.

3.2 Stores, spares and loose tools

These are valued at lower of cost and net realizable value, determined on moving average basis. The carrying value is adjusted for allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon unto reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost to be incurred for its sale.

The Company writes off stores and spares which at the end of the financial year have remained in stocks from the date of purchase for a period as prescribed under:

Stores general	held over 5 years
Spares	held over 10 years

The above write off is charged to statement of profit or loss in the period such items are written off.

3.3 Stock-in-trade

These are valued at lower of cost and net realizable value. Methods used for determining costs are as follows:

Raw material and packing	On moving average basis
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost

Raw material-in-transit and finished goods-in-transit are valued at cost comprising of cost and freight value plus other charges incurred thereon up to the reporting date.

Average cost in relation to work-in-process and finished goods signifies average manufacturing cost including a portion of related direct overheads.

Net realizable value (NRV) signifies the estimated selling price in the ordinary course of business less estimated costs of completion and cost necessary to make the sale.

The Company writes off raw material which at close of the financial year have remained in stocks for more than 3 years from the date of purchase. The write off is charged to statement of profit or loss in the period such stocks are held for more than 3 years.

3.4 Trade debts, loans, deposits and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (refer note 3.5.4).

3.5 Financial instruments

3.5.1 Classification of financial assets

The Company classifies its financial assets into following three categories:

- At amortized cost ("AC");
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in statement of profit or loss. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3.5.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of assets and liabilities when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss.

3.5.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in statement of other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in statement of other comprehensive income are reclassified to statement of profit or loss on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit or loss.

3.5.4 Impairment

Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Company recognises loss allowances for ECLs on financial assets other than debt securities. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and

- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

3.5.5 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3.5.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.5.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.6 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments, short-term running finance under mark-up arrangements, FE-25 loan and musharaka finance.

3.7 Defined benefit plan - staff gratuity

The Company operates an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation. The valuation is carried out using the "Project Unit Credit Method" at each reporting period.The most recent valuation of the scheme was carried out as at June 30, 2025.

All actuarial gains and losses are recognized in 'statement of other comprehensive income'. Current service costs and any past service costs together with net interest cost are charged to statement of profit or loss.

3.8 Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

3.9 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.10 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.11 Revenue recognition

The Company manufactures and contracts with customers for the sale of greige fabric which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer in case of local sales and date of bill of lading in case of export sales.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Export rebate is recognized on accrual basis at the time of recognizing export sale.

Gain / (loss) on sale of fixed assets is recognized when the ownership is transferred to the buyer.

3.12 Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as prepaid assets.

i. Revenue taxes

"Revenue taxes includes amount representing :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as ‘deferred tax asset’ for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 ‘Income Tax’."

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

3.13 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

3.14 Borrowing costs

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 capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

3.16 Dividend and appropriation to/ from reserves

Dividend distribution to the Company's shareholders and appropriation to/ from reserves are recognized as a liability in the financial statements in the period in which these are approved by the appropriate authority.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into reporting currency equivalents using foreign currency rates ruling on the reporting date. Exchange differences on foreign currency transactions and translation are included in the statement of profit or loss.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company considers the Board of Directors as the CODM, who is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has a single reportable segment, as the Board of Directors views the Company's operations as one reportable segment because of the similarity in nature of the products, nature of the production processes, type or class of customers for the products and the methods used to distribute the products.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.21 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024			**2025**	2024
Number of shares			**Note**	**------- (Rupees in '000) -------**	
		Ordinary shares of Rs.10 each fully paid			
8,400,000	8,400,000	In cash		**84,000**	84,000
1,260,000	1,260,000	As bonus shares		**12,600**	12,600
9,660,000	9,660,000			**96,600**	96,600

4.1 Shahtaj Sugar Mills Limited and Shahnawaz (Private) Limited (associated companies) held 1,150,000 (2024: 1,150,000) and 350,000 (2024: 350,000) respectively fully paid ordinary shares of Rs. 10 each at year end.

4.2 Directors held 2,441,520 (2024: 2,441,520) fully paid ordinary shares of Rs. 10 each at year end.

4.3 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2025	2024
		------- (Rupees in '000) -------	
5. RESERVES			
REVENUE RESERVES			
General reserve	5.1	**1,150,000**	1,135,000
Unappropriated profit		**460,670**	354,820
		1,610,670	1,489,820
CAPITAL RESERVE			
Surplus on revaluation of plant and machinery	5.2	**662,664**	205,822
		2,273,334	1,695,642

5.1 This represents a reserve created from retained earnings to strengthen the equity base and meet future requirements at the company's discretion.

	Note	2025	2024
		------- (Rupees in '000) -------	
5.1 Surplus on revaluation of plant and machinery			
Surplus on revaluation of plant and machinery as at July		**205,822**	229,072
Impact of revaluation during the year		**477,577**	-
Transfer to unappropriated profit on account of:			
- incremental depreciation (net of deferred taxation)		**(20,575)**	(22,901)
- disposal of property, plant and equipment (net of deferred taxation)		**(160)**	(349)
Related deferred tax liability		**-**	-
		(20,735)	(23,250)
Surplus on revaluation of property, plant and equipment as at June 30		**662,664**	205,822
Related deferred tax liability on:			
Revaluation as at July 01		**-**	(31,092)
decrease / (Increase) in deferred tax for change in rate of deferred tax		**-**	31,092
surplus on revaluation of plant and machinery realized during the year		**-**	-
- incremental depreciation (net of deferred taxation)		**-**	-
- disposal of property, plant and equipment (net of deferred taxation)		**-**	-
		-	31,092
	5.1.1	**-**	-
		662,664	205,822

5.1.1 As the entity is expected to be subject to minimum tax in the foreseeable future based on management's assessment, the effective tax rate is considered to be zero. Accordingly, no deferred tax liability has been recognized on the surplus arising from the revaluation of plant and machinery.

	2025	2024
	------- (Rupees in '000) -------	
6 LONG-TERM FINANCE		
Secured		
From banking companies	**712,938**	855,583
Less: Current portion shown under current liabilities	**(143,710)**	(141,580)
	569,228	714,003

6.1 Details and movement are as follows:

	The Bank of Punjab Term Finance	Bank Alfalah Limited Term Finance 1	Bank Alfalah Limited Term Finance 2	Bank Alfalah Limited Term Finance 3	United Bank Limited Term Finance	**2025 Total**	20234 Total
	(Rupees in '000)						
Balance at July 01	139,849	112,299	67,621	468,000	67,814	**855,583**	952,044
Repaid during the year	(22,481)	(31,739)	(10,403)	(61,477)	(16,545)	**(142,645)**	(96,461)
	117,368	80,560	57,218	406,523	51,269	**712,938**	855,583
Payable within one year	(22,481)	(31,739)	(10,403)	(62,542)	(16,545)	**(143,710)**	(141,580)
	94,887	48,821	46,815	343,981	34,724	**569,228**	714,003
"Mark up rate (per annum)"	SBP rate + 80 bps (June 2024: SBP rate + 80 bps)	SBP rate + 75 bps (June 2024: SBP rate + 75 bps)	SBP rate + 150 bps (June 2024: SBP rate + 150 bps)	SBP rate + 130 bps (June 2024: SBP rate + 130 bps)	SBP rate + 50 bps (June 2024: SBP rate + 50 bps)		
Installment repayable	Bi-annually	Bi-annually	Bi-annually	Bi-annually	Quarterly		
Mark up payable	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly		
Loan period	10 years	10 years	10 years	10 years	10 years		
Grace period	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date		
Sub-note	6.2	6.3	6.3	6.3	6.4		

6.2 The loan is secured by way of first pari passu hypothecation charge over present and future fixed assets of the Company (including land, building, plant and machinery) for Rs. 253 million with 25% margin.

6.3 The loan is secured by way of first pari passu charge over fixed assets of the Company (including land, building, plant and machinery) for Rs. 1,121 million with 25% margin.

6.4 The loan is secured by way of first pari passu charge over plant and machinery of the Company for an amount of Rs. 177 million.

	Note	**2025**	2024
		(Rupees in '000)	
7 DEFERRED LIABILITIES			
Staff gratuity	7.1	**123,153**	103,367
Deferred taxation	7.2	**-**	-
		123,153	103,367

7.1 Staff gratuity

	2025	2024
Liability recognized in the statement of financial position	**123,153**	103,367

	Note	2025	2024
		------- (Rupees in '000) -------	
7.1.1 Movement in liability during the year			
Balance as at July 01		**103,367**	101,757
Charge for the year	7.1.3	**35,889**	34,854
Remeasurement (gain) / loss recognized in statement of Comprehensive income	7.1.5	**1,208**	(8,392)
Payments made during the year		**(17,311)**	(24,852)
Balance as at June 30		**123,153**	103,367
7.1.2 Changes in present value of defined benefit obligation			
Present value of defined benefit obligation on July 1		**103,367**	101,757
Current service cost for the year	7.1.3	**21,919**	20,338
Interest cost for the year	7.1.3	**13,970**	14,516
Benefits paid during the year		**(17,311)**	(24,852)
Actuarial (gain) / losses arised during the year	7.1.5	**1,208**	(8,392)
Present value of defined benefit obligation on June 30		**123,153**	103,367
7.1.3 Expense recognized in statement of profit or loss			
Current service cost		**21,919**	20,338
Interest cost		**13,970**	14,516
		35,889	34,854
7.1.4 Allocation of expense is as follows:			
Cost of sales		**22,302**	26,495
Distribution expense		**3,243**	3,073
Administration expense		**10,344**	5,286
		35,889	34,854
7.1.5 Remeasurement loss / (gain) recognized in statement of comprehensive income			
Actuarial loss / (gain) arised during the year		**(973)**	(400)
Changes in financial assumptions		**2,181**	(7,992)
Experience adjustments		**1,208**	(8,392)

7.1.6 The principal assumptions used in the actuarial valuations carried out as of June 30, 2025 using the 'Projected Unit Credit' method, are as follows:

	2025	2024
Discount rate per annum %	**16.14.75%**	16.25%
Expected annum rate of increase in future salaries %	**11.75%**	14.75%
Expected average remaining working lives	**7 years**	7 years
Expected mortality rate	**SLIC (2001-2005) Setback 1 year**	SLIC (2001-2005) Setback 1 year
Expected withdrawal rate	**Age based**	Age based

7.1.7 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		2025	
		Increase / (decrease) in defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		----- (Rupees in '000) -----	
Discount rate	**1%**	**(8,155)**	**9,157**
Salary increase rate	**1%**	**9,417**	**(8,536)**

		2024	
		Increase / (decrease) in defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	
Discount rate	1%	(6,598)	7,399
Salary increase rate	1%	7,614	(6,908)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the statement of financial position.

7.1.8 The Scheme exposes the Company to the actuarial risks such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

7.1.9 Expected gratuity expense for the year ending June 30, 2026 is Rs. 35,900,939.

7.1.10 The weighted average duration of the defined benefit obligation for the year ended June 30, 2025 is 7 years (2024: 7 years).

	Note	2025	2024
		------- (Rupees in '000) -------	
7.2 Deferred taxation			
Movement for the year ended June 30, 2025			
Opening Balance		-	65,344
Recognized in statement of profit or loss		-	(34,252)
Recognized in statement of comprehensive income		-	(31,092)
Closing Balance	7.2.1	-	-

7.2.1 The entity will be subject to minimum tax in the foreseeable future according to management's assessment; therefore, no current income tax is expected to arise. Consequently, there shall be no deferred tax as the effective tax rate would be zero. The Company has adopted Approach B in line with the guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP).

	Note	2025	2024
		------- (Rupees in '000) -------	
8 TRADE AND OTHER PAYABLES			
Creditors		**433,051**	562,793
Accrued liabilities	8.1,8.2 & 8.3	**280,735**	204,286
Leave encashment	8.4	**7,658**	6,909
Due to an associated undertaking	8.5	**-**	3,513
Workers' Profit Participation Fund	8.6	**10,741**	4,752
Workers' Welfare Fund		**32,521**	28,199
Retention payable		**4,436**	4,419
Advance from customers - contract liabilities		**21,578**	26,501
Sales tax payable		**6,727**	9,236
Others		**10,751**	8,364
		808,198	858,972

8.1 This includes amount payable to Sui Northern Gas Pipelines Limited (SNGPL) in respect of Gas Infrastructure Development Cess (GIDC). The Federal Government issued GIDC Acts in the years 2011, 2014 and 2015. All GIDC Acts have been subject of thorough debate and consideration at different High Courts of the Country as well as the Supreme Court of Pakistan (SCP).

On August 12, 2020, the SCP issued its verdict and held that "the levy imposed under Gas Infrastructure Development Cess Act, 2015 (the Act) is in accordance with the Provisions of the Constitution". The Supreme Court also held that "the Provisions of Section 8 of the Act, which give retrospective effect to the charge and recovery of GIDC levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament." However, since the Company is an industrial concern and it did not pass on the burden of GIDC to its consumers prior to the GIDC Act, 2015 (or even thereafter), management believes that the Company is entitled to the exemption under the first proviso to Section 8(2) of the GIDC Act, 2015 from payment of the GIDC levied under the GIDC Act, 2011 and GIDC Ordinance, 2014. As such, arrears due from the Company may only include amounts levied under the GIDC Act, 2015 from the date of its commencement, i.e., May 22, 2015.

Subsequent to the Order passed by the SCP on August 13, 2020, SNGPL issued bills to the industry, including the Company, claiming arrears of first Instalment in deference to the said Judgement of the SCP. The bills of arrears were calculated for monthly instalment on the basis of entire payable amount from 2011 to July 2020 by charging cess at the higher rate of tariff applicable to Captive Connections. Further, the implication of Section 8 of the said Act, 2015 was not taken into consideration whereby it was provided that the industry, which has not collected the cess from the Customers prior to 2015 shall not be liable to the payment of GIDC for the said period from 2011 to 2015. Accordingly, during the year ended June 30, 2021, a writ petition was filed by All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) before Lahore High Court (LHC) against imposition of GIDC Act, 2015 and the recovery of cess from December 2011 to May 2015. Further, during the year ended June 30, 2021, SNGPL started billing for GIDC to the Company against which certain payments have been made by the Company based on the order issued by Lahore High Court against the aforementioned writ petition. Pursuant to the order, Lahore High Court restrained SNGPL from charging the cess at the higher tariff rate of captive connection and directed to issue revised bill calculated at the rate applicable to industrial connection and ordered the Companies to make payment based on industrial tariff and for the difference between the amount charged to industrial consumers and captive power consumers, post-dated cheques be issued. Accordingly, the Company made certain payments at tariff rate that is applicable to industrial consumers and also issued post-dated cheques for the differential amount in favour of SNGPL. Further, pursuant to the order of the Lahore High Court, the payment for the period from 2011 to 2015 was also suspended in view of the implication of the said provision of law.

On September 27, 2021, the Lahore High Court issued a judgment on writ petition No. 42716 / 2020 whereby it was concluded that all the parties to the petition (including the Company) fall under the category of Industrial Consumers rather than Captive Power Plant and shall remain liable to the tariff applicable to Industrial Consumers.

Further, during the year ended June 30, 2022, the Company filed an appeal before the High Court of Sindh (SHC) on the ground that no burden of GIDC had been passed to its customers / clients and thus the Company is not liable to pay GIDC under GIDC Act 2015. The SHC granted stay order on August 31, 2021 against recovery of GIDC payable by the Company till the finalization of matter by SHC. The matter is currently pending in the SHC. However, as a matter of abundant caution and without prejudice to the suits filed, the Company has made aggregate provision of Rs. 18.384 million (2024: Rs. 18.384 million) in respect of GIDC up to June 30, 2025.

8.2 In June 2017, Oil and Gas Regulatory Authority (OGRA) revised the RLNG tariff retrospectively. Based on retrospective tariff determination, the Company received demand in respect of RLNG tariff arrears. In view of this development, the All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) filed a law suit in Lahore High Court against charge of RLNG tariff arrears. However, management on prudent basis has recognized provision of Rs. 27,026 million (2024: Rs. 27.026 million) in this respect, which is included in accrued liabilities.

8.3 During the year, the Government imposed a Grid Transition Levy on gas consumption for captive power generation. Based on it , the Company received demand from SNGPL in respect of gas levy. In view of this development, the Company filed a law suit in Lahore High Court against recovery of Captive Gas levy. However, management on prudent basis has recognized provision of Rs. 24.116 million (2024: Nil) in this respect, which is included in accrued liabilities.

	2025	2024
	------- (Rupees in '000) -------	
8.4 Leave encashment		
Balance as at July 01	**6,909**	6,432
Provision during the year	**7,275**	6,518
Paid during the year	**(6,526)**	(6,041)
Balance as at June 30	**7,658**	6,909

8.5 This represents payable to Shahnawaz (Private) Limited, a related party, on account of software maintenance charges, computer supplied and office facility charges.

	Note	**2025**	2024
	Note	**------- (Rupees in '000) -------**	
8.6 Workers' Profit Participation Fund			
Balance as at July 01		**4,752**	12,863
Interest on funds utilized in the Company's business	29	**192**	366
		4,944	13,229
Payments made during the year		**(4,944)**	(13,229)
Allocation for the year	28	**10,741**	4,752
Balance as at June 30		**10,741**	4,752

	Note	2025	2024
		------- (Rupees in '000) -------	
9 INTEREST ACCRUED			
Interest accrued on:			
- Long-term finance		**4,690**	5,583
- Running finance		**5,469**	37,896
- Musharaka finance		**3,507**	6,736
		13,666	50,215
10 SHORT-TERM BORROWINGS			
Secured - From Banking Companies			
- Conventional			
Running finances under markup arrangement	10.1	**369,622**	564,452
- Shariah Compliant			
Musharaka finance	10.2	**56,734**	10,421
Istisna financing	10.3	**-**	175,000
		426,356	749,873

10.1 The Company can avail finance facilities from various banks aggregating to Rs. 875 million (2024: Rs. 875 million). The unavailed facilities as at year end were Rs. 505.38 million (2024: Rs. 310.55 million). The facilities are secured by hypothecation of stocks and book debts. These are subject to mark-up ranging from 1 month KIBOR plus 0.75% to 2% per annum (2024: 1 month KIBOR plus 0.65% to 1% per annum).

10.2 The Company can avail finance facility under Musharaka of Rs. 200 million (2024: Rs. 200 million). The unavailed facility as at year end was Rs. 143.266 million (2024: Rs. 189.58 million). This finance facility is secured by first pari passu hypothecation of stocks and recivables with 25% margin. These are subject to mark-up rate of 1 month KIBOR plus 0.65% per annum (2024: 1 month KIBOR plus 0.65% per annum).

10.3 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 175 million (2024: Rs 175 million). The mark-up rate on the financing is 6 months KIBOR + 1% per annum (2024: 6 months KIBOR + 1% per annum). The facility is secured against first pari passu charge over land, building, plant and machinery and stocks / receivables with 25% margin. The maximum tenor of the Istisna Financing is 180 days.The unavailed facility as at year end was Rs. 175 million (2024: Rs. Nil million).

	Note	2025	2024
		------- (Rupees in '000) -------	
11 CONTINGENCIES AND COMMITMENTS			
11.1 Contingencies			
Guarantees issued by banks on behalf of the Company in favor of Sui Northern Gas Pipelines Limited (SNGPL)		**87,537**	74,512
11.2 Commitments			
Letter of credits against			
- Raw material		**12,551**	-
- Stores and spares		**53,574**	-

12 PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		(Rupees in '000)	
Operating fixed assets	12.1	**2,176,038**	1,721,547
Capital work in progress	12.6	**17,805**	140,596
		2,193,843	1,862,143

12.1 Operating fixed assets

	Freehold land	Buildings on freehold land: Mills building	Buildings on freehold land: Labour colony	Buildings on freehold land: Marketing office and others	Plant and machinery *	Furniture and fixtures	Equipment and installations	Computer equipment	Vehicles	Others - arms	Total
	(Rupees in '000)										
Year ended June 30, 2025											
As at July 01, 2024											
Cost / revalued amount	31,121	287,568	35,952	21,007	3,174,174	13,243	8,619	13,446	49,517	80	3,634,727
Accumulated depreciation	-	(170,441)	(30,383)	(12,087)	(1,646,901)	(8,368)	(4,901)	(7,914)	(32,108)	(75)	(1,913,179)
Net book value	31,121	117,127	5,569	8,920	1,527,273	4,875	3,718	5,532	17,408	5	1,721,547
Additions / transfers from CWIP	-	-	-	-	147,240	-	4,346	591	10,514	-	162,691
Cost / revalued amount of disposals	-	-	-	-	(6,938)	-	-	-	(3,742)	-	(10,679)
Accumulated depreciation on disposals	-	-	-	-	6,271	-	-	-	2,715	-	8,986
	-	-	-	-	(667)	-	-	-	(1,027)	-	(1,693)
Revaluation during the year											
-revalued amount	-	-	-	-	1,048,983	-	-	-	-	-	1,048,983
-accumulated depreciation	-	-	-	-	(571,406)	-	-	-	-	-	(571,406)
Depreciation charge for the year	-	(11,713)	(557)	(446)	(164,845)	(488)	(625)	(1,712)	(3,698)	(1)	(184,084)
Closing net book value	31,121	105,414	5,012	8,473	1,986,579	4,388	7,439	4,410	23,198	4	2,176,038
As at June 30, 2025											
Cost / revalued amount	31,121	287,568	35,952	21,007	4,363,460	13,243	12,965	14,037	56,289	80	4,835,722
Accumulated depreciation	-	(182,154)	(30,940)	(12,534)	(2,376,881)	(8,855)	(5,526)	(9,627)	(33,091)	(76)	(2,659,684)
Net book value	31,121	105,414	5,012	8,473	1,986,579	4,388	7,439	4,410	23,198	4	2,176,038
Depreciation rate	-	10%	10%	5%	10%	10%	10%	30%	20%	10%	

*** Carried at revalued amount**

	Freehold land	Buildings on freehold land: Mills building	Buildings on freehold land: Labour colony	Buildings on freehold land: Marketing office and others	Plant and machinery *	Furniture and fixtures	Equipment and installations	Computer equipment	Vehicles	Others - arms	Total
	(Rupees in '000)										
Year ended June 30, 2024											
As at July 01, 2023											
Cost / revalued amount	31,121	287,568	35,952	21,007	2,929,588	13,243	8,683	9,527	49,393	80	3,386,162
Accumulated depreciation	-	(157,427)	(29,764)	(11,618)	(1,510,363)	(7,826)	(4,504)	(7,028)	(27,903)	(75)	(1,756,508)
Net book value	31,121	130,141	6,188	9,389	1,419,225	5,417	4,179	2,499	21,490	5	1,629,654
Additions / transfers from CWIP	-	-	-	-	254,613	-	35	3,919	392	-	258,959
Cost / revalued amount of disposals	-	-	-	-	(10,027)	-	(99)	-	(268)	-	(10,394)
Accumulated depreciation on disposals	-	-	-	-	8,568	-	23	-	150	-	8,741
	-	-	-	-	(1,458)	-	(77)	-	(118)	-	(1,653)
Depreciation charge for the year	-	(13,014)	(619)	(469)	(145,106)	(542)	(420)	(886)	(4,355)	(1)	(165,413)
Closing net book value	31,121	117,127	5,569	8,920	1,527,273	4,875	3,718	5,532	17,408	4	1,721,547
As at June 30, 2024											
Cost / revalued amount	31,121	287,568	35,952	21,007	3,174,174	13,243	8,619	13,446	49,517	80	3,634,727
Accumulated depreciation	-	(170,441)	(30,383)	(12,087)	(1,646,901)	(8,368)	(4,901)	(7,914)	(32,108)	(76)	(1,913,180)
Net book value	31,121	117,127	5,569	8,920	1,527,273	4,875	3,718	5,532	17,408	4	1,721,547
Depreciation rate	-	10%	10%	5%	10%	10%	10%	30%	20%	10%	

* Carried at revalued amount

12.1.1 Details of assets sold, having net book value in excess of Rs. 500,000 are as follows:

Description	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Relationship of purchaser with Company	Particulars of purchaser
	(Rupees in '000)							
Plant and machinery								
Generators	6,938	6,271	667	4,000	3,333	Negotiation	None	Advance Power Solutions
Vehicles								
Suzuki Cultus (VXL)	1,891	1,342	548	915	367	Negotiation	None	EFU General Insurance Limited

	Note	2025	2024
		------- (Rupees in '000) -------	
13.2 The depreciation charge for the year has been allocated as follows:			
Cost of goods sold	25	**177,186**	158,814
Distribution expenses	26	**375**	395
Administrative expenses	27	**6,523**	6,204
		184,084	165,413

12.3 The Company had its plant and machinery revalued by independent valuer M/s Asif Associates (Private) Limited in June 2025 on the basis of depreciated replacement value. The revaluation surplus, is recognized in statement of comprehensive income and accumulated in equity under the heading of 'Surplus on revaluation of plant and machinery'. The forced sale value of plant and machinery based on valuation conducted in June 2025 was Rs. 1,490 million.

An amount equal to incremental depreciation for the year is transferred from "Surplus on revaluation of plant and machinery" to "Unappropriated profit" for recording realization of surplus to the extent of incremental depreciation charged during the year.

12.4 Had there been no revaluation, the carrying amount of the plant and machinery would have been as follows:

	2025	2024
	------- (Rupees in '000) -------	
Cost	**2,660,089**	2,519,245
Accumulated depreciation	**(1,336,174)**	(1,197,794)
Written down value	**1,323,915**	1,321,451

12.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	**Total Area (in Kanals)**	**Usage of immovable property**
46 KM. Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab	189.45	Manufacturing facility and Labour Colony
27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Punjab.	1.5	Marketing Office

12.6 Capital work in progress	**Note**	**Equipment and installations**	**Plant and machinery**	**Total**
		------------------------- (Rupees in '000)	---------------------------	
As at July 1, 2023			2,519	2,519
Additions		-	391,968	391,968
Transferred to operating fixed assets	12.1	-	(253,891)	(253,891)
As at June 30, 2024		-	140,596	140,596
Additions		**4,300**	**22,553**	**26,853**
Transferred to operating fixed assets	12.1	**(4,300)**	**(145,344)**	**(149,644)**
As at June 30, 2025		**-**	**17,805**	**17,805**

	Note	**2025**	2024
		------- (Rupees in '000) -------	

13 LONG-TERM LOANS

	Note	2025	2024
Considered good - secured			
Loan to employees	13.1	**1,211**	446
Less: Recoverable within one year shown under current assets	18	**(722)**	(186)
		489	260

13.1 Reconciliation of carrying amount of long term loans given is as follows:

	Note	2025	2024
Balance at July 1,		**446**	663
Disbursements during the year		**1,070**	-
		1,516	663
		(305)	(217)
Received during the year		**1,211**	446
Balance at June 30,	18	**(722)**	(186)
Current portion of long term loans		**489**	260

13.2 These are non-interest bearing loans given for miscellaneous purposes and are recoverable in monthly installments, the number of which varies depending on the specific loan arrangement. These loans are secured against gratuity.

	Note	**2025**	2024
		------- (Rupees in '000) -------	

14 LONG-TERM DEPOSITS

	Note	2025	2024
Security deposits against:			
Utilities			
Others		**35,732**	34,409
		25	25
		35,757	34,434

15 STORES, SPARES AND LOOSE TOOLS

	Note	2025	2024
Stores	15.1	**61,721**	25,887
Spares		**30,604**	35,384
Loose tools		**4,246**	4,175
Provision made during the year		**1,140**	3,543
Written off during the year	28	**(1,140)**	(3,543)
		-	-
Balance as at June 30		**96,571**	65,446

15.1 This includes stores in transit amounting to Rs. 28.923 million (June 30, 2024: Rs. 0.060 million).

	Note	2025	2024
		------- (Rupees in '000) -------	
16 STOCK-IN-TRADE			
Raw and packing materials			
in hand	25.1	**436,892**	473,458
in transit		**81,414**	-
Work-in-process	25 & 16.2	**101,527**	106,743
Finished goods, including goods-in-transit	16.1,16.2 & 25	**417,716**	532,101
		1,037,549	1,112,302
Provision for obsolete raw material			
Provision made during the year	25	**1,196**	58
Written off during the year		**(1,196)**	(58)
Balance as at June 30		**-**	-
		1,037,549	1,112,302

16.1 This includes finished goods in transit amounting to Rs. Nil (2024: Rs. 21.524 million).

16.2 This includes items costing Rs. 70.057 million (2024: Rs. 42.994 million) valued at net realizable value of Rs. 18,168 million (2024: Rs. 11.015 million).

16.3 During the year ended June 30, 2025 stock in trade amounting to Rs. Nil (2024: Rs. 6.60 million) were held at third parties.

	Note	2025	2024
		------- (Rupees in '000) -------	
18 TRADE DEBTS			
Secured - considered good			
Export	17.1	**274,479**	328,655
Local	17.1	**172,989**	164,707
Unsecured - considered good			
Local	17.2	**425,351**	573,891
Unsecured - considered doubtful			
Doubtful debts			
Expected credit loss		**(85,627)**	(85,627)
		85,627	85,627
		-	-
		872,819	1,067,253

17.1 These amounts are secured against letters of credit in favor of the Company.

17.2 The aging of unimpaired trade debts is disclosed in note 37.4)

17.3 Trade debts are non-interest bearing and are generally on 7 days to 180 days credit terms.

		Note	2025	2024
			------- (Rupees in '000) -------	
18	**LOANS AND ADVANCES**			
	Advances - considered good			
	Employees		**1,180**	1,069
	Suppliers and contractors		**13,260**	15,763
	Current portion of long-term loans	13.1	**722**	186
			15,162	17,018
19	**TRADE DEPOSITS AND PREPAYMENTS**			
	Deposits against container		**300**	150
	Prepayments			
	LC Margin and others		**242**	480
	Subscription		**2,044**	2,475
			2,286	2,955
			2,586	3,105
20	**TAXATION - NET**			
	Advance income tax	20.1	**71,433**	49,612
20.1	**MOVEMENT**			
	Balance as at July 01		**49,612**	56,560
	Taxes and levies paid / deducted during the year		**110,597**	88,589
			160,209	145,149
	Provision for levies and taxation	31.1 & 31.4	**(88,776)**	(95,537)
	Balance as at June 30		**71,433**	49,612
21	**OTHER RECEIVABLES**			
	Considered good			
	Export rebate		**4,391**	4,545
	Interest accrued on Term Deposit Certificate		**1,671**	2,273
			6,062	6,818
22	**SHORT TERM INVESTMENT**			
	Investment - Amortised cost			
	-Term Deposit Certificate	22.1	**51,013**	38,000

22.1 This represent deposit with a banking company, having a maturity period of 6 months, against bank guarantee and carry return at rate of 10.05% (2024: 19.90%) per annum.

	Note	2025	2024
		------- (Rupees in '000) -------	
23 CASH AND BANK BALANCES			
Cash at bank - current accounts			
in local currency		**20,319**	21,587
in foreign currency	23.1	**8,956**	12,263
Cash in hand		**781**	513
		30,056	68,213

23.1 Company holds the following cash at bank in foreign currency:

	2025	2024
Cash at bank		
USD	**2,726**	3,738
EURO	**6,230**	8,525

	2025	2024
24 REVENUE FROM CONTACT WITH CUSTOMERS - NET		
Export	**1,013,290**	1,368,593
Indirect export	**1,722,363**	2,691,425
Local	**4,945,984**	5,147,257
	7,681,637	9,207,275
Export rebate	**357**	593
Waste sales	**22,100**	24,575
	7,704,094	9,232,443
Commission		
- Local	**(35,449)**	(34,875)
- Export	**(28,388)**	(44,660)
	(63,837)	(79,535)
Sales tax	**(1,020,576)**	(1,199,480)
	6,619,681	7,953,428

		Note	2025	2024
			------- (Rupees in '000) -------	
25	**COST OF GOODS SOLD**			
	Raw and packing materials	25.1	**4,097,402**	5,790,236
	Stores and spares and loose tools	25.2	**93,295**	61,775
	Manufacturing expenses			
	Salaries, wages and benefits	25.3	**383,331**	324,273
	Directors' remuneration	35	**-**	10,638
	Fuel and power		**1,063,297**	940,124
	Repairs and maintenance		**12,374**	8,900
	Insurance		**10,068**	9,268
	Depreciation	12.2	**177,186**	158,814
	Raw material written off	16	**1,196**	58
	Others		**999**	2,862
			5,839,148	7,306,948
	Work-in-process			
	Opening stock		**106,743**	102,275
	Closing stock	16	**(101,527)**	(106,743)
			5,216	(4,468)
	Cost of goods manufactured		**5,844,364**	7,302,480
	Finished goods			
	Opening stock		**532,101**	498,683
	Closing stock	16	**(417,716)**	(532,101)
			114,385	(33,418)
			5,958,749	7,269,062
	Outside processing charges		**13,198**	11,057
			5,971,947	7,280,119
25.1	**Raw and packing materials consumed**			
	Opening stock		**473,458**	652,241
	Purchases		**4,060,836**	5,611,453
			4,534,294	6,263,694
	Closing stock	16	**(436,892)**	(473,458)
			4,097,402	5,790,236
25.2	**Stores and spares consumed**			
	Opening stock		**65,446**	79,171
	Purchases and related expenses		**124,420**	48,050
			189,866	127,221
	Closing stock	15	**(96,571)**	(65,446)
			93,295	61,775

25.3 Salaries, wages and benefits include Rs 22.302 million (2024 Rs 26.495 million) in respect of staff retirement gratuity.

		Note	2025	2024
			------- (Rupees in '000) -------	
26	**DISTRIBUTION EXPENSES**			
	Export related			
	Ocean freight		**35,196**	40,611
	Insurance		**422**	387
	Forwarding		**39**	56
	Export duty		**5,393**	7,079
	Entertainment		**88**	14
	Postage and courier		**370**	2
	Fees and subscription		**1,221**	1,806
	Travelling and conveyance		**4,041**	8,124
	Other		**1,211**	1,174
			47,981	59,253
	Local			
			40,430	32,125
	Salaries and benefits	26.1	**8,372**	11,863
	Local freight		**1,922**	995
	Travelling and conveyance		**596**	691
	Sales promotion		**3,649**	3,785
	Marketing office		**375**	395
	Depreciation	12.2	**54**	55
	Insurance		**2,754**	518
	Claim from buyers		**1,955**	1,040
	Other		**60,107**	51,467
			108,088	110,720

26.1 Salaries and benefits include Rs 3.243 million (2024 Rs 3.073 million) in respect of staff retirement gratuity.

		Note	2025	2024
			------- (Rupees in '000) -------	
27	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	27.1	**105,860**	85,529
	Director's remuneration		**26,040**	16,327
	Travelling and conveyance		**1,255**	2,590
	Vehicles running and maintenance		**9,139**	9,576
	Telephone and fax		**1,010**	852
	Postage and courier		**267**	386
	Printing and stationery		**1,961**	3,159
	Computer expenses		**2,909**	3,443
	Rent, rates and taxes		**5,100**	4,900
	Repairs and maintenance		**2,050**	513
	Insurance		**1,208**	1,397
	Auditors' remuneration	27.2	**1,485**	1,609
	Legal and professional		**1,902**	2,291
	Advertising		**127**	44
	Entertainment		**880**	1,121
	Fees and subscription		**7,042**	7,486
	Donations	27.3	**100**	-
	Depreciation	12.2	**6,523**	6,204
	Share registrar services		**345**	412
	Other		**2,953**	2,566
			178,156	150,405

27.1 Salaries and benefits include Rs 10.344 million (2024 Rs 5.286 million) in respect of staff retirement gratuity.

	Note	2025	2024
27.2 Auditors' remuneration		------- (Rupees in '000) -------	
Audit fee		**1,000**	1,000
Half yearly review fee		**200**	200
Review of statement of compliance and other certifications		**150**	150
CDC compliance		**-**	115
Out of pocket expenses		**135**	144
		1,485	1,609

27.3 None of the directors and their spouses had any interest in the donee's fund.

	Note	2025	2024
28 OTHER OPERATING EXPENSES		------- (Rupees in '000) -------	
Workers' Profit Participation Fund	8.6	**10,741**	4,752
Workers Welfare Fund		**4,322**	1,806
Exchange loss	28.1	**-**	30,805
Stores and spares written off	15	**1,140**	3,543
		16,203	40,906

28.1 It includes unrealized loss amounting to Rs Nil (2024: Rs 3.006 million)

	Note	2025	2024
29 FINANCE COST		------- (Rupees in '000) -------	
Mark-up on:			
Long-term finance		**20,146**	21,813
Running finance under markup arrangement		**76,848**	146,052
Musharaka finance		**25,715**	39,613
Discounting charges		**63,125**	102,649
Interest on Workers' Profit Participation Fund	8.6	**192**	366
Bank charges and commission		**3,282**	7,512
		189,308	318,005
30 OTHER INCOME			
Net income from trading	30.1	**3,314**	745
Exchange gain	30.2	**29,861**	-
Interest Income		**6,660**	31,934
Gain on disposal of property, plant and equipment		**3,945**	2,525
		43,780	35,204
30.1 Net income from trading			
Sales - Local		**3,338**	1,278
Cost - Purchases and related expenses		**(24)**	(533)
		3,314	745

30.2 It includes unrealized gain amounting to Rs 13.423 million (2024: Rs Nil)

		Note	2025	2024
31	**LEVIES AND TAXATION**		------- (Rupees in '000) -------	
31.1	**Levies**			
	Revenue Tax	31.2	**88,776**	59,042
	Final Tax	31.3	**-**	36,495
			88,776	95,537

31.2 This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirement of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

31.3 This represents final taxes paid on export sales as per section 154 of the Income Tax Ordinance, 2001, representing levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

		Note	2025	2024
			------- (Rupees in '000) -------	
31.4	**Taxation**			
	Deferred	31.5	**-**	(34,252)
			-	(34,252)

31.5 Relationship between income tax expense and accounting profit

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 'Income Taxes' has not been presented in these financial statements since Company's income subject to taxation under the normal tax regime has attracted the provisions of Minimum tax of the Income Tax Ordinance, 2001.

			2025	2024
32.	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit after taxation for the year	Rupees in '000	**110,983**	27,192
	Weighted average number of ordinary shares in issue	Number	**9,660,000**	9,660,000
	Earnings per share - basic and diluted	Rupees	**11.49**	2.81

32.1 There is no dilutive effect on the basic earnings per share of the Company.

33 CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company’s liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company’s statement of cash flows as cash flows from financing activities.

	June 30, 2024	Financing cash inflows	Financing cash outflows	Non cash changes - Transfer current portion	June 30, 2025
	(Rupees in '000)				
Long-term finance	**855,583**		**(142,645)**	**-**	**712,938**
Unclaimed dividend	**40,418**	**-**	**(9,052)**	**9,660**	**41,026**
Musharaka finance	**10,421**	**229,643**	**(183,330)**	**-**	**56,734**
Istisna financing	**175,000**	**175,000**	**(350,000)**	**-**	**-**

	June 30, 2023				June 30, 2024
	(Rupees in '000)				
Long-term finance	952,044	-	(96,461)	-	855,583
Unclaimed dividend	35,550	-	(57,922)	62,790	40,418
Musharaka finance	198,238	10,385	(198,202)	-	10,421
Istisna financing	175,000	175,000	(175,000)	-	175,000

34 CASH AND CASH EQUIVALENTS

	Note	2025	2024
		(Rupees in '000)	
Short-term borrowings - Running finances under markup arrangement	10	**(369,622)**	(564,452)
Cash and bank balances	23	**30,056**	34,363
		(339,566)	(530,089)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2025			2024		
	Chief Executive	**Executive Director**	**Executives**	Chief Executive	Executive Director	Executives
	(Rupees in '000)					
Remuneration	**6,399**	**5,040**	**49,479**	5,427	4,972	31,630
Bonus	**370**	**930**	**5,330**	930	650	3,746
Retirement benefits	**800**	**930**	**6,186**	930	650	3,746
House rent	**1,921**	**2,520**	**14,851**	2,349	1,779	9,493
Ex-gratia	**-**	**-**	**-**	953	853	5,375
Medical	**640**	**1,800**	**4,948**	1,469	867	3,163
Utilities	**640**	**1,800**	**4,948**	1,469	867	3,163
Leave encashment	**-**	**-**	**1,630**	-	-	1,632
	10,770	**13,020**	**87,371**	13,527	10,638	61,948
Number of persons	**1**	**1**	**20**	1	1	14

35.1 In addition, the Chief Executive is provided with Company's owned and maintained car for personal and official use.

35.2 In addition, the Executive Director and Executives are provided with Company's owned and maintained cars for official use.

35.3 In addition to the above, fee paid to 8 (2024: 8) non-executive directors during the year amounted to Rs. 2.25 million (2024: Rs. 2.80 million) on account of meeting fee.

36 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms duly approved by board of directors. Amounts due from and to related parties have been disclosed in the notes to the financial statement as follows:

- Due to associated undertakings under payables in note 8;

- Remuneration of key management personnel is disclosed in note 35;

Other significant transactions with related parties are as follows:

Relationship with the Company	**% of Shareholding / Other basis of Relationship**	**Name**	**Nature of transactions**	**2025**	2024
				------- (Rupees in '000) -------	
Associated undertakings	3.62% / Common Directorship	Shahnawaz (Private) Limited	Computers, computer supplies and others purchases	**-**	3,554
			Services received for office facility	**5,214**	5,414
			Software development charges	**2,400**	2,542
			Payment made against services	**11,127**	8,216
			Dividend paid	**350**	2,275
	11.9% / Common Directorship	Shahtaj Sugar Mills Limited	Dividend paid	**1,150**	7,475
	Nil / Common Directorship	Shezan International Limited	Purchase of goods	**511**	457
			Payment made against goods	**511**	457
Other related parties	Nil / Close family member	Lionsmill Trading LLC	Commission on sales	**3,413**	10,102
			Payment against commission	**4,397**	9,000
Directors			Dividend paid	**2,442**	15,867

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 Financial instruments by category

	Note	2025	2024
		------- (Rupees in '000) -------	
Financial assets as per statement of financial position			
Loans and receivables measured at amortized cost			
Long-term loans including current portion		**1,211**	446
Long-term deposits		**35,757**	34,434
Trade debts		**872,819**	1,067,253
Loans and advances		**1,180**	1,069
Trade deposits		**300**	150
Other receivables		**6,062**	6,818
Short term investment		**51,013**	38,000
Cash and bank balances		**30,056**	34,363
		998,398	1,182,533
Financial liabilities as per statement of financial position			
Financial liabilities measured at amortized cost			
Long-term financing		**712,938**	855,583
Trade and other payables		**736,631**	790,284
Interest accrued		**13,666**	50,215
Short-term borrowings		**426,356**	749,873
Unclaimed dividend		**41,026**	40,418
		1,930,617	2,486,373

37.2 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

The Company’s overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on internal controls set on different activities of the Company by the Board of Directors. These controls reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Board along with the Company’s finance department oversees the management of the financial risks reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate procedures and that the financial risk are identified, measured and managed in accordance with the Company risk appetite.

37.3 The Company's principal financial liabilities comprise long-term finances, short-term borrowings, accrued markup/interest and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's financial assets comprise of trade debts, loans and advances, trade deposits, other receivables, short term investment and cash and bank balances that arise directly from its operations.

37.3.1 Market risk

Market risk is the risk that the value of cash flows of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Company's exposure to foreign currency risk is as follows:

	June 30, 2025		
	USD	**EURO**	**Total**
	(Rupees in '000)		
Trade and other receivables	**9,214**	**265,265**	**274,479**
Trade and other payables	**(80,714)**	**(11,567)**	**(92,281)**
Net exposure	**(71,500)**	**253,698**	**182,198**

	June 30, 2024		
	USD	EURO	Total
	(Rupees in '000)		
Trade and other receivables	65,147	263,508	328,655
Trade and other payables	(18,343)	-	(18,343)
Net exposure	46,804	263,508	310,312

	Average rate		**Reporting date rate**	
	(Rupees)			
	2025	2024	**2025**	2024
USD	**279.34**	283.17	**283.76**	278.34
Euro	**303.95**	306.01	**332.66**	297.69

At June 30, 2025, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar and Euro with all other variables held constant, profit for the year would have been lower / higher by Rs.18.22 million (2024: Rs. 31.03 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar and Euro - denominated trade debts and trade payables.

(b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from Short term investment, long term loans, long term finance and short term borrowings.These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount 2025	Carrying amount 2024
	------- (Rupees in '000) -------	
Variable rate instruments		
Financial liabilities		
- Short term borrowings	**426,356**	749,873

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year by Rs. 4.26 million (2024: Rs. 7.499 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2024.

	Interest rate 2025	Interest rate 2024	Carrying amount 2025	Carrying amount 2024
	-------------------%-----------------		------- (Rupees in '000) -------	
Fixed rate instruments				
Financial asset - TDR	**10.05%**	19.90%	**51,013**	38,000
Financial liabilities - long term finances				
	2.75%	2.75%	**80,560**	112,299
	2.50%	2.50%	**51,269**	67,814
	2.80%	2.80%	**117,368**	139,849
	2.30%	2.30%	**406,523**	468,000
	3.50%	3.50%	**57,218**	67,621
Net financial liabilities at fixed interest rates			**763,951**	893,583

Cash flow sensitivity analysis for fixed rate instrument

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit or loss.

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at year end, there are no financial instruments of the Company which are subject to equity price risk.

37.4 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Out of the total financial assets of Rs. 998.398 million (2024: Rs. 1,180.943 million), the financial assets which are subject to credit risk amounted to Rs. 997.617 million (2024: Rs. 1,180.430 million).

The Company is exposed to credit risk from its operating activities (primarily for trade debts and loans and advances) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Company's bank balances as at June 30, 2025:

Name	**Balances held as at June 30, 2025**	**Latest available published rating as at June 30, 2025**	**Rating Agency**
	--(Rupees in '000)--		
Bank balances			
United Bank Limited	**10**	**AAA**	**VIS**
Bank of Punjab	**2,500**	**AA+**	**PACRA**
Habib Bank Limited	**19,570**	**AAA**	**VIS**
Bank Al-Falah	**6,621**	**AAA**	**PACRA**
MCB Bank Limited	**-**	**AAA**	**PACRA**
Habib Metropolitan Bank Limited	**403**	**AA+**	**PACRA**
Faysal Bank Limited	**171**	**AA**	**PACRA**

The analysis below summarises the credit quality of the Company's bank balances as at June 30, 2024:

Name	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating Agency
	--(Rupees in '000)--		
Bank balances			
United Bank Limited	10	AAA	VIS
Bank of Punjab	2,860	AA+	PACRA
Habib Bank Limited	20,070	AAA	VIS
Bank Al-Falah	9,569	AA+	PACRA
MCB Bank Limited	43	AAA	PACRA
Habib Metropolitan Bank Limited	538	AA+	PACRA
Faysal Bank Limited	760	AA	PACRA

Credit risk related to receivables

The Company's main credit exposure is with trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties and majority of the transactions are made through post dated cheques. Further, the Company’s credit exposure is continuously monitored and the aggregate value of transactions are spread amongst approved counterparties, and overdue counterparties are pursued efficiently by the management for recovery. 51% (2024: 46%) of the credit exposure of the Company at year end is secured against letters of credit or other form of security.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate. The major credit exposure of the Company from its top 10 customers is 95.44% (2024: 82.39%) of the total trade receivables as at year end.

The total exposure of the Company in trade debts is Rs. 958.445 million (2024: Rs. 1,152.880 million), which has been discussed as follows:

The Company has the policy to grant credit of 7 days to 180 days to their customers. The exposure of the Company in trade receivables, which are neither overdue nor impaired, is Rs. 786.150 million (2024 Rs. 885.399 million).

Trade receivables, which have crossed their credit days limits, amounting to Rs. 172.295 million (2024: Rs. 267.482 million) for which the company has provided Rs. 85.627 million (2024: 85.627 million) and the remaining amounts are still considered recoverable.

The aging of such overdue but not impaired trade receivables is as follows:	**2025**	2024
	------- (Rupees in '000) -------	
Less than 1 month	**35,352**	160,769
1 - 3 months	**46,211**	3,250
3 - 6 months	**5,011**	12,244
6 months - 1 year	**44**	5,263
1 - 3 years	**50**	218
Over 3 years	**-**	-
	86,668	181,744

The aging of overdue and impaired trade receivables is as follows:		
1 - 3 years	**-**	-
Over 3 Years	**85,627**	85,627

37.5 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large customers by securing them against letters of credit.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and long-term loans. 72% of the Company's long-term and short-term debt will mature in less than one year at June 30, 2025 (2024: 72%) based on the carrying value of borrowings as given below.

37.5.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	2025					
	Long-term finance	**Short-term borrowings**	**Trade and other payables**	**Unclaimed Dividend**	**Interest accrued**	**Total**
	(Rupees in '000)					
With in 1 year	**143,710**	**426,356**	**808,198**	**41,026**	**13,666**	**1,432,956**
1 - 5 years	**465,252**	**-**	**-**	**-**	**-**	**465,252**
More than 5 years	**103,976**	**-**	**-**	**-**	**-**	**103,976**
	712,938	**426,356**	**808,198**	**41,026**	**13,666**	**2,002,184**

Weighted average

	2024					
	Long-term finance	Short-term borrowings	Trade and other payables	Unclaimed Dividend	Interest accrued	Total
	(Rupees in '000)					
With in 1 year	141,580	749,873	858,972	40,418	50,215	1,841,058
1 - 5 years	669,051	-	-	-	-	669,051
More than 5 years	44,952	-	-	-	-	44,952
	855,583	749,873	858,972	40,418	50,215	2,555,061

37.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.

38 Fair values of financial assets and liabilities

(a) Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

(b) Fair Value Estimation

The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no transfers between the levels during the year.

38.1 There are no assets or liabilities to classify under above levels except the Company's plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's plant and machinery carried out as at June 2025, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not related to the Company, using depreciated replacement cost method. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Details of the Company's plant and machinery and information about the fair value hierarchy as at end of June 30, 2025 are as follows:

	June 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			
Plant and machinery	**-**	**-**	**1,986,579**	**1,986,579**

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plant and machinery	-	-	1,527,273	1,527,273

39 CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The capital structure of the Company consists of share capital and reserves as well as debts of the Company. Share capital and reserves consist of share capital, reserves and unappropriated profit and debts consist of short-term borrowings and long-term financing. The Company manages its capital structure by monitoring return on total capital employed and makes adjustments to it in the light of changes in economic conditions and monitoring its gearing ratio. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders, issue new shares or adjust its debts. The Company's overall strategy is to reduce the gearing ratio gradually. The gearing ratio analysis is as follows:

	2025	2024
	(Rupees in '000)	
Total borrowings	**1,139,294**	1,605,456
Less: Cash and bank balances	**(30,056)**	(34,363)
Net debt	**1,109,238**	1,571,093
Total equity	**2,369,934**	1,792,242
Total capital employed	**3,479,172**	3,363,335
Gearing ratio	**32%**	47%

The Company is not subject to any externally imposed capital requirement.

40 OPERATING SEGMENT

40.1 These financial statements have been prepared on the basis of single reportable segment.

40.2 Revenue from sale of fabric represents 99.96% (2024: 99.98%) of total revenue whereas, remaining represents revenue from trading.

40.3 All non current assets of the Company as at June 30, 2025 are located in Pakistan.

40.4 84.85% (2024: 82.96%) of sales of fabric are local and indirect export whereas 15.15% (2024: 17.04%) of sales are export / foreign sales. All sales were made to external customers.

40.5 Revenue from three major customers of the Company represents 42% (2024: 40%) of total revenue of the Company.

41 PLANT CAPACITY AND ACTUAL PRODUCTION

	Note	2025	2024
Number of looms installed		**179**	179
Number of looms worked		**179**	179
100% Plant capacity at 60 picks (Sq. Meters)		**65,303,576**	65,303,576
Actual production converted to 60 picks (Sq. Meters)	41.1	**59,624,742**	59,503,030
Number of days worked during the year		**365**	366

41.1 Calculation of rated capacity is based on a fixed fabric width and looms speed. In actual these factors vary with the ever changing qualities under production. Further, 100% efficiency level is notional and in practice elusive, hence, actual production figure is less than the rated capacity.

42 NUMBER OF PERSONS EMPLOYED

	2025	2024
Number of employees at June 30	**445**	451
Average number of employees during the year	**453**	475

43 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSBILE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	2025	2024
	------- (Rupees in '000) -------	
Financing as per Islamic Mode		
Short-term borrowings	**56,734**	185,421
Interest accrued on conventional loans		
Finance Cost	**10,159**	43,479
Shariah Compliant bank balances		
Bank Balances	**171**	759
Profit paid on Islamic mode of financing		
Short-term borrowings	**28,944**	43,858
Interest Paid on Conventional Loans		
Long-term financing	**20,146**	21,813
Short-term borrowings	**76,848**	146,052
Source and detailed breakup of other income Non-Shariah Compliant		
Interest income on TDR	**6,660**	31,934

43.1 ***Relationship with Shariah-compliant financial institutions:***

Name	Relationship
Meezan Bank Limited	Funded Facility
Faysal Bank Limited	Funded Facility

44 NON ADJUSTING EVENT AFTER THE REPORTING DATE

In their meeting held on September 25, 2025, the Board of Directors (the Board) of the Company have proposed a final cash dividend for the year ended June 30, 2025 of Rs. 5.50 per share. In addition, the Board has proposed a transfer of Rs. 40 million from Unappropriated Profit to General Reserve .

The Financial statements for the year ended June 30, 2025 do not include the effect of the final cash dividend nor the effect of the proposed transfer between reserves which will be accounted for in the financial statements for the year ending June 30, 2026.

45 CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 25, 2025 .

47 GENERAL

Figures have been rounded off to the nearest thousand rupees.

(Taqi Mohammad)	(Amir Ahmed)	**(M. Naeem)**
Chief Executive	Chief Financial Officer	Director

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024
FOR THE YEAR ENDED JUNE 30, 2025

There is no female worker in the company.

Taqi Mohammad
Chief Executive Officer

SHAHTAJ TEXTILE

PROXY FORM

Folio No.	Shares held

I/We____ of ___________________________

a member of SHAHTAJ TEXTILE LIMITED hereby appoint ______________________________ of

___________________ a member under Folio No. _________________________ or failing him

____ of __________________________ a

member under Folio No. _________________________ as my / our proxy to attend and vote for me / us on my / our behalf at the 36th Annual General Meeting of the Company to be held on 27th October, 2025 and any adjournment thereof.

As witnessed given under my / our hand this _______________ day of _______________, 2025.

Witness Signature ___________________________

Name ______________________________________

CNIC No.__________________________________

Applicable Revenue Stamp

Member's Signature

Notes:

1. This form of Proxy must be deposited duly completed, at the Company's Registered Office, not less than 48 hours before the meeting.
2. A Proxy of individual members must be a member of the Company.
3. In case of corporates the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with proxy form to the Company.
4. Signature should agree with the specimen signature registered with the Company.
5. For CDC account holders / corporates in addition to the above following requirements have to be met:

   i) Attested copy of CNIC or the passport of the beneficial owner shall be provided with proxy form.

   ii) Proxy shall produce his / her original CNIC or original passport at the time of meeting.

SHAHTAJ TEXTILE

پراکسی فارم

فولیو نمبر: ____________

تعداد حصص: ____________

میں / ہم ____________ ساکن ____________ بحیثیت

ممبر شاہ تاج ٹیکسٹائل لمیٹڈ، ____________ ساکن ____________ فولیو نمبر ____________ اور اِن کی عدم

موجودگی میں ____________ ساکن ____________ فولیو نمبر ____________

کو مورخہ 27 اکتوبر 2025ء کو منعقد ہونے والے چھتیسویں اجلاسِ عام اور اس کے کسی ملتوی شدہ اجلاس کے لئے میری / ہماری جانب سے ووٹ ڈالنے کے لئے بطور نمائندہ (پراکسی) مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

گواہ کی موجودگی میں مورخہ ____________ 2025 کو دستخط ثبت کئے گئے۔

دستخط گواہ: ____________

نام: ____________

قومی شناختی کارڈ نمبر: ____________

مطلوبہ ریونیو ٹکٹ
چسپاں کریں

ممبر کے دستخط

نوٹ:

1. یہ پراکسی فارم مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں میٹنگ سے 48 گھنٹے قبل جمع کرایا جانا لازمی ہے۔
2. ضروری ہے کہ انفرادی ممبر جس کو پراکسی دیں وہ بھی کمپنی کا ممبر ہو۔
3. کارپوریٹس ممبران کے لئے پراکسی فارم کے ساتھ پراکسی کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمع دستخط کے نمونہ کا جمع کروایا جانا ضروری ہے۔
4. دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔
5. سی ڈی سی میں اکاؤنٹ رکھنے والے کارپوریٹ ممبران کے لئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے
   - I- مالک حصص کے شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔
   - II- جس کے حق میں پراکسی ہو وہ اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ یا پاسپورٹ پیش کرے۔