

Annual Report 2025



SHAHZAD TEXTILE MILLS LIMITED

Certificate PK24/00000104

The management system of

Shahzad Textile Mills Limited**SGS**

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

This certificate is valid from 09 May 2024 until 09 May 2027 and remains valid subject to satisfactory surveillance audits.

Issue 1. Certified since 09 May 2024

Certified activities performed by additional sites are listed on subsequent pages.

Jonathan H. Hall

Authorised by

Jonathan Hall

Global Head - Certification

Services

SGS United Kingdom Ltd

Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK

t +44 (0)151 350-6666 - www.sgs.com



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Certificate PK24/00000104, continued

Shahzad Textile Mills Limited



ISO 9001:2015

Issue 1

Sites

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 01 : 34th Km, Sheikhpura Road, Sheikhpura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 02 : 7th Km Sheikhpura-Faisalabad Road, Sheikhpura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn



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CERTIFICATE



Management system as per ISO 45001:2018

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

Shahzad Textile Mills Limited (Socks Division)

34 – KM, Lahore – Sheikhpura Road, Sheikhpura, Pakistan.

applies a management system in line with the above standard for the
following scope

Manufacturing of Socks

Certificate Registration No. 20116233016371

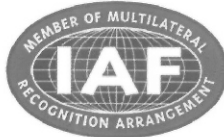
Valid until 2026-03-15

Initial certification: 2020-03-16

Certification Body
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

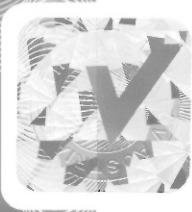
This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification
procedures and is subject to regular surveillance audits.
TÜV AUSTRIA CERT GMBH Deutschstraße 10 A-1230 Wien www.tuv.at



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CERTIFICATE



**Management system as per
EN ISO 14001:2015**

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

Shahzad Textile Mills Limited (Socks Division)

34 – KM, Lahore – Sheikhpura Road, Sheikhpura, Pakistan.

applies a management system in line with the above standard for the
following scope

Manufacturing of Socks

Certificate Registration No. 20104233016370

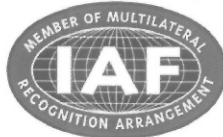
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CERTIFICATE



Management system as per EN ISO 9001:2015

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

Shahzad Textile Mills Limited (Socks Division)

34 – KM, Lahore – Sheikhpura Road, Sheikhpura, Pakistan.

applies a management system in line with the above standard for the following scope

Manufacturing of Socks

Certificate Registration No. 20100233016369

Valid until 2026-03-15

Initial certification: 2020-03-16

Certification Body
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.
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COMPANY INFORMATION

Board of Directors

Mian Parvez Aslam
Mr. Imran Aslam
Mr. Irfan Aslam
Mr. Danish Aslam
Syed Raza Ali Bokhari
Dr. Ali Raza Khan
Mrs. Nazish Imran

Chairman
Chief Executive Officer

Bankers

Habib Metropolitan Bank Ltd
JS Bank Limited
Meezan Bank Limited
Soneri Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Ltd
H.M. House, 7-Bank Square, Lahore.

Chief Financial Officer

Syed Imran Haider

Registered Office

Tricon Corporate Center, Office No.
701, 7th Floor. 73-E, Main Jail Road,
Gulberg-II, Lahore.

Company Secretary

Mr. Muhammad Amjad Tayyab

Ph: +92(042)36407340-41

E-mail: info@shahzadtex.com

Web: www.shahzadtex.com

Auditors

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari
Mian Parvez Aslam
Mr. Irfan Aslam

Chairman
Member
Member

Human Resources & Remuneration Committee

Dr. Ali Raza Khan
Mr. Danish Aslam
Mrs. Nazish Imran

Chairman
Member
Member

Mills

Unit # 1, 4 & Socks Hosiery Unit
34th KM Lahore Sheikhpura
Raod, Sheikhpura.

Unit # 2

7th KM Sheikhpura Faisalabad
Road, Sheikhpura.

VISION STATEMENT

VISION STATEMENT

We aim at seeing our mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality management System and continuously improving its effectiveness for total customers' satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the company.
3. To exercise maximum care for improvement of quality of our products by employing a team of highly skilled technicians and professional managers.
4. To strive hard to explore new customers for the sale of our products in export and local markets.
5. To improve customers' satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feed backs about quality of our products.
6. To attend and prompt resolution of customers' quality complaints by taking timely corrective measures.
7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.
8. To make comprehensive arrangements for the training of our workers / technicians.
9. To promote team work, sense of transparency, creativity in our professionals and technical people

CODE OF CONDUCT

Shahzad Textile Mills Limited, has laid down the following code of conduct, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff member are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

- a. In effecting the purchases for the company and selling its products the directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or services to the company or buying its products.
- b. The staff members should not engage in any outside business while serving the company.
- c. Staff members are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- d. If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentiality

All staff members are required not to divulge any secrets / informations of the company to any outsider even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management.

3. Kickbacks

all staff members are strictly forbidden not to accept any favour, gifts or kick backs from any organization dealing with the company. In case if such a favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Account

All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with government officials suppliers, agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff member is required to take care of his health and safety and of those working with him. The management is responsible for keeping its staff members insured as per government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communities, and strive continuously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places are strictly forbidden. Also bringing alcohols or drugs inside the work places are not allowed. If any staff member, not abiding by these prohibitions will attract disciplinary as well as penal action.

9. Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, seniors and colleagues. Every member will cooperate with other members so that the company's work could be carried out effectively and efficiently. All cases of non-cooperation among staff members should be reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All staff members will be provided an environment that is free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

SIX YEARS FINANCIAL SUMMARY

2025	2024	2023	2022	2021	2020
Rupees In Thousands					

Sales	11,371,016	11,014,646	8,398,630	9,382,850	6,927,057	4,315,237
Gross Profit	695,208	517,466	234,365	1,074,383	729,399	322,054
(Loss)/Profit before taxation	351,232	82,454	(187,875)	598,787	438,760	62,568
Provision for tax	(193,207)	(181,237)	(81,365)	(221,323)	(133,106)	(16,966)
Profit/(Loss) after taxation	158,025	(98,783)	(269,240)	377,464	305,654	45,602

Total Assets	6,327,685	5,869,937	5,144,953	5,306,707	4,648,956	4,011,775
Current liabilities	2,152,218	1,881,325	1,445,681	1,308,453	1,169,234	968,118
	4,175,467	3,988,612	3,699,272	3,998,254	3,479,722	3,043,657

Represented By :

Equity & Surplus	3,532,556	3,326,628	3,011,047	3,143,683	2,790,450	2,347,849
Long Term Loans & leases	144,357	221,437	298,518	351,053	267,150	336,280
Deferred Liabilities	498,554	440,547	389,707	503,518	422,123	359,528
	4,175,467	3,988,612	3,699,272	3,998,254	3,479,722	3,043,657

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

Name of Company: **SHAHZAD TEXTILE MILLS LIMITED**Year Ending: **June 30, 2025**

Shahzad Textile Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are seven (07) as per the following;

a)	Male:	06
b)	Female:	01

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Syed Raza Ali Bokhari Dr. Ali Raza Khan
Executive Directors	Mr. Imran Aslam Mr. Danish Aslam
Non-Executive Directors	Mian Parvez Aslam Mr. Irfan Aslam Mrs. Nazish Imran
Female Director	Mrs. Nazish Imra n

“*For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, hence it fulfills the requirement of a minimum of two (02) independent directors. Furthermore, the two independent directors have the requisite skills and knowledge to make independent decisions. Therefore, the fraction of 0.33 in such one-third is not rounded up as one this time.

3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company.
4. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three members of the Board are exempted from the Directors' Training Program by virtue of their requisite qualification and experience of serving on the Board of Listed Company, while the remaining four Directors have not acquired the prescribed certification under the Directors' Training Program;
10. The Board has approved the 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 members given below:

a) **Audit Committee:**

Syed Raza Ali Bokhari	Chairman
Mian Parvez Aslam	Member
Mr. Irfan Aslam	Member

b) HR & Remuneration Committee

Dr. Ali Raza Khan	Chairman
Mr. Danish Aslam	Member
Mrs. Nazish Imran	Member

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 (quarterly/ yearly) of the committee were as per following,-
- a) Audit Committee (1st quarter: 1 2nd quarter: 1 3rd quarter: 1 4th quarter:3)
- b) HR and Remuneration Committee (2 meetings in the financial year)
15. The Board has set up an effective internal audit function, 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 requirements of Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with;
19. Explanation for Non-Compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33, and 36, are below;

Sr. No.	Reg. Ref.	Requirement	Future Course of Action
1.	19	By June 30, 2022, all directors shall acquire certification under Director Training Program.	The Board shall take steps to arrange Directors' Training Certification for the remaining four directors by the end of 2026.
2.	10A (5) of CCG Regulation, 2019	The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long-term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	At present, the Board provides governance and oversight in relation to the Company's initiatives on Environment, Social and Governance (ESG) matters. The Company has not yet established a Sustainability Committee; however, this non-mandatory requirement will be complied as per rules and regulations in the forthcoming years.


Chairman

Chief Executive

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SHAHZAD TEXTILE MILLS LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahzad Textile Mills 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.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1	9 & 19	Four Directors out of Seven have not acquired the prescribed certification under the Directors' Training Program as required under clause 19 of the Regulations.

Lahore

Dated: October 06, 2025

UDIN:CCG UDIN: CR202510832586OHvf92


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 47th Annual General Meeting (“AGM”) of the Shareholders of SHAHZAD TEXTILE MILLS LIMITED (the “Company”) will be held at Company's Registered Office, Tricon Corporate Center, Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore on Tuesday, October 28, 2025 at 2:30 p.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

The above financial statements, together with other documents, have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR-enabled code:

Weblink: <https://www.shahzadtex.com>



- 2.. To appoint auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors of the Company have recommended the reappointment of M/s Crowe Hussain Chaudhry & Co., Chartered Accountants, as auditors of the Company.

SPECIAL BUSINESS

- 3.. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2025, under the authority of the special resolution passed in the last annual general meeting held on October 28, 2024, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2026, and till the date of next Annual General Meeting and to pass the resolutions as proposed in the statement of material facts as special resolutions..
- 4.. To consider and, if deemed fit, approve the disposal of the Company's Assets held for Sale to a related or unrelated party and to pass the special resolution, with or without modification, addition or deletion, as proposed in the statement of material facts annexed to this notice circulated to the shareholders.

Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Businesses, as required under Section 134(3) of the Companies Act 2017.

By order of the Board

(MUHAMMAD AMJAD TAYYAB)
Company Secretary

Place: Lahore
Dated: October 06, 2025

NOTES:**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 21, 2025, to October 28, 2025 (both days inclusive). Transfers received in order at the Company's Independent Share Registrar's Office, Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 20, 2025, will be treated in time for the purpose of attending, speaking, and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have the same rights, as respects attending, speaking, and voting at the AGM, as are available to the members.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed, or a notarial attested copy of the power of attorney, must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport at the time of attending the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- b. Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy form.
- c. Attested copies of the CNIC or the passport of beneficial owners, and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of a corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the Company.

5. Change of Address

The shareholders are requested to promptly notify any change in their address, if any, to the Company's Share Registrar

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, an electronic dividend mandate on E-

Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission of CNIC / IBAN, all future dividend payments may be withheld.

7. Zakat Declarations:

The members of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for the transmission of the annual report containing financial statements and other documents.

9. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S.No.	Nature of Shareholders	Rate of deduction
1	Filers	15.0 %
2	Non-Filers	30.0 %

Tax deduction will be made on the basis of the Active Taxpayers List provided on the website of the Federal Board of Revenue.

Members seeking exemption from the deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately, and in such a particular situation, each account holder is to be treated as either a Filer or a Non-Filer, and tax will be deducted according to their shareholding. If the share is not ascertainable, then each account holder will be assumed to hold an equal proportion of shares, and the deduction will be made accordingly. Therefore, to avoid the deduction of tax at a higher rate, the joint holders are requested to provide the details below of their shareholding to the Share Registrar of the Company, latest by the AGM date.

Folio /CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2025, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.shahzadtex.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who for any reason could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar, M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

As per the instructions of the Securities and Exchange Commission of Pakistan, the Company has arranged

a video link facility for online participation of members in the AGM. To attend the meeting through video link, the members are requested to register themselves by providing the following information, along with a valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders, with the subject “Registration for Shahzad Textile Mills Limited AGM” through email corporate@shaheencotton.com on or before 26th October 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they used to email the Company. The login facility will remain open from the start of the meeting till its proceedings are concluded.

13. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017.

The shareholder having physical shareholding may open a CDC sub-account with any of the brokers or an investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per the existing regulations of the Stock Exchange.

14. Voting through Postal Ballot (electronic voting and by ballot paper)

The members of the Company shall be provided the right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

Procedure for E-Voting

- Details of the e-voting facility (including web address, login details, and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company, not later than the close of business on October 20, 2025.
- The security codes will be communicated to members through SMS from the web portal of Hameed Majeed Associates (Pvt) Limited, Limited (being the e-voting service provider).
- Identity of the members intending to cast a vote through e-voting shall be authenticated through an electronic signature or authentication for login.
- E-voting lines will start from October 25, 2025, at 09:00 a.m. and shall close on October 27, 2025, at 05:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through a ballot paper

- i. The members may alternatively opt for voting through a postal ballot. Ballot paper in the prescribed form is attached to this Notice and is also available on the Company's website, shahzadtex.com, to download.
 - ii. The members must ensure that the duly filled and signed ballot paper, along with the computerized national identity card (CNIC), should reach the Chairman of the meeting through post at the address Shahzad Textile Mills Limited, Office No. 701, 7th Floor, Tricon Corporate Centre, Main Jail Road, Gulberg-II, Lahore, or email at chairman@shahzad.com by 5:00 pm, October 27, 2025. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.
15. No gift shall be distributed at the meeting as prohibited under the Companies Act, 2017.
16. The Board of Directors has appointed M/s Abdul Rehman & Company as Scrutinizer for the AGM, who, in the opinion of the directors, have the necessary knowledge and experience to independently scrutinize the voting process. The details of the appointed scrutinizer is as under.
- a. Qualification: QCR-rated Firm
 - b. Experience: Having more than six years of experience to act as the Scrutinizer of the Company.
 - c. Purpose of appointment: For voting on the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11/11A of the Postal Ballot Regulation 2018.

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

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2025.

Agenda Item No. 3**Ratification/approval of Related Party Transactions**

The Company carried out transactions with its Related Parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2024. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on a quarterly basis pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Terms & Conditions	Amount (Rs.)
Sargodha Jute Mills Ltd	Mr. Imran Aslam Mr. Irfan Aslam Mrs. Nazish Imran	Director & shareholder Chief Executive / Director/Shareholder Shareholder Shareholder	Purchase Twine Jute 20/3	...		793,550
Sargodha Jute Mills Ltd	Mr. Imran Aslam Mr. Irfan Aslam Mrs. Nazish Imran	Director Chief Executive/ Director Shareholder	Sales Hard Waste PC	Arm's length basis		15,386,422

The following resolution is proposed to be passed as a Special Resolution with or without any modification:

“Resolved that the following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Shahzad Textile Mills Limited, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ended June 30, 2025, be and are hereby ratified, approved, and confirmed.

Name of Related Party	Description of transaction
Sargodha Jute Mills Ltd	Purchase: Twine Jute 20/3,
Sargodha Jute Mills Ltd	Sales: Hard Waste PC

Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties in its ordinary course of business at arms' length basis during the financial year ending June 30, 2026, and till the next annual general meeting. The majority of directors are interested in the above transactions as disclosed above, therefore, such related party

transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next annual general meeting for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

“Resolved that the Shahzad Textile Mills Limited (the **“Company”**) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2026, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Further Resolved that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required.

Agenda Item No. 4

The Board of Directors has proposed to dispose of the Company's Assets held for Sale comprising Office No. 703, 7th Floor, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg-II, Lahore, with a total covered area of 5,150 Sqft, to M/s Sargodha Jute Mills Limited, a related party or any unrelated party, against a minimum consideration of Rs _170 million and based on the best available quote from interested parties. Accordingly, the matter is placed before the shareholders to approve the disposal of Office No. 703, 7th Floor, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore, of the Company to generate funds for the utilization towards capital investment in the installation of a Solar Energy System at the Company's mills site.

The information required under SRO 423(I)/2018 dated April 03, 2018, is as under:

Information as required by SRO 423(I)/2018 dated April 03, 2018

#	Description	Details
5 (I)	In case of sale, lease, or disposal of sizeable part of undertaking	
i)	Detail of assets to be sold, leased or disposed of shall include the following:	
(a)	Description/Name of asset;	Office situated at Tricon Corporate Center, Office No. 703, 7 th Floor, 73 -E, Main Jail Road, Gulberg-II, Lahore. Total covered area 5,150 Sqft
b)	Acquisition date of the asset;	The Office was acquired in the year 2012.
c)	Cost;	Rs. 50.838 Million
d)	Revalued amount and date of revaluation (if applicable);	The management engaged renowned valuers, M/s Hamid Mukhtar & Co. (Pvt) Limited, to conduct an independent valuation of the Assets held for Sale. The value of the Office was determined at Rs 169.95 million as at June 30, 2025.
e)	Book value;	Book value of the “Office” as on June 30, 2025, is Rs. 169.95 million.

f)	Approximate current market price/fair value;	The minimum consideration is approximately fair value.
g)	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	Sale price is expected to be above book value and fair value
h)	In case of lease of assets, tenure, lease rentals, increment rate , mode/basis of determination of lease rentals , and other important terms and conditions of the lease;	N/A
i)	Additional information in case of disposal of land:	
	(i) Location; (ii) Nature of land (e.g., commercial, agricultural, etc); and (iii) Area proposed to be sold.	N/A
j)	The proposed manner of disposal of the said assets.	Through quotes from interested parties including M/s Sargodha Jute Mills Limited a related party , however, disposal will be based on the basis of highest quote.
k)	In case the company has identified a buyer, who is a related party , the fact shall be disclosed in the statement of material facts.	M/s Sargodha Jute Mills Limited, a related party, is also interested besides other unrelated parties.
l)	Purpose of the sale, lease or disposal of assets, along with the following details:	
	a) Utilization of the proceeds received from the transaction;	For the installation of a Solar Energy System Two (02) MW at the Company's mills site.
	b) Effect on operational capacity of the company, if any; and	No impact on operational capacity by the disposal of office property.
	c) Quantitative and qualitative benefits expected to accrue to the members.	The funds raised will be used for the installation of a Solar Energy System at the Company's Mills site. The payback period of

The basis of valuation for disposal is the valuation by an independent valuer. It is in the best interest of the Company and its shareholders to dispose of the office property and install a Solar Energy System at the Company's Mills site.

The following resolutions are proposed to be passed as special resolutions

RESOLVED THAT approval of the members of M/s Shahzad Textile Mills Limited (the '**Company**') be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 for disposal of the Company's Assets held for Sale comprising Office No. 703 7th Floor, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg-II, Lahore, total covered area 5,150 Sqft (hereinafter the '**Assets**') to a related party, Sargodha Jute Mills Limited, or any other unrelated party for a minimum consideration of Rs. 170 million.

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded for the utilization of the proceeds arising from the sale of the Asset towards capital investment in the installation of a Solar Energy System at the Company's Mill site.

FURTHER RESOLVED THAT as part and parcel of the foregoing consent, the Board of Directors be and are hereby authorized and empowered to sell the Asset to the related or unrelated party and delegate any or all of its powers in this regard to the Chief Executive Officer or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Asset sale and utilization of the proceeds thereof and, for that purpose, entering into an agreement(s) with the buyer(s), receiving the sale consideration and to generally performing and executing in respect of the Assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale of Assets.

FURTHER RESOLVED that the Company be and is hereby agreed upon modification in this resolution if required without the need for any further approval of the shareholders.

FURTHER RESOLVED that Mr. Imran Aslam, Chief Executive, be and are hereby severally authorized to comply with the statutory requirements of the Securities and Exchange Commission of Pakistan and do all such acts, deeds, and things as may be necessary under the law in this regard.

FURTHER RESOLVED that all actions heretofore taken by the Chief Executive on behalf of the Company in respect of the above matter be and are hereby confirmed, ratified and adopted by the Company in full.”

BALLOT PAPER FOR VOTING IN 47TH ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2025, at
SHAHZAD TEXTILE MILLS LIMITED
 Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore.

Phone No. 042-36407340, 36407341

Email: chairman@shahzad.com.

Website: www.shahzadtex.com

For voting through the post for the Special Business agenda item Nos. 3 & 4 at the Annual General Meeting of Shahzad Textile Mills Limited, to be held on October 28, 2025, at 2:30 p.m. Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore.

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held and Folio number	
CNIC Number (copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, Corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick () mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of Resolution	No. of Ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	<p>Resolution for Agenda Item No. 3 as proposed in the statement of material fact to be passed as a special resolution.</p> <p>“Resolved that the Shahzad Textile Mills Limited (the “Company”) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm’s length basis during the year ending June 30, 2026, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.</p> <p>Further Resolved that Chief Executive/Company Secretary of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)’.</p>			

2	<p>Resolution for Agenda Item No. 4 as proposed in the statement of material fact to be passed as a special resolution.</p> <p>RESOLVED THAT approval of the members of M/s Shahzad Textile Mills Limited (the 'Company') be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 for disposal of the Company's Assets held for Sale comprising Office No. 703 7th Floor, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg-II, Lahore, total covered area 5,150 Sqft (hereinafter the 'Assets') to a related party, Sargodha Jute Mills Limited, or any other unrelated party for a minimum consideration of Rs. 170 million.</p> <p>RESOLVED FURTHER THAT the approval of the members be and is hereby accorded for the utilization of the proceeds arising from the sale of the Asset towards capital investment in the installation of a Solar Energy System at the Company's Mill site.</p> <p>FURTHER RESOLVED THAT as part and parcel of the foregoing consent, the Board of Directors be and are hereby authorized and empowered to sell the Asset to the related party and delegate any or all of its powers in this regard to the Chief Executive Officer or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Asset sale and utilization of the proceeds thereof and, for that purpose, entering into an agreement(s) with the buyer(s), receiving the sale consideration and to generally performing and executing in respect of the Assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale of Assets.</p> <p>FURTHER RESOLVED that the Company be and is hereby agreed upon modification in this resolution if required without the need for any further approval of the shareholders.</p>			
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	<p>FURTHER RESOLVED that Mr. Imran Aslam, Chief Executive, be and are hereby severally authorized to comply with the statutory requirements of the Securities and Exchange Commission of Pakistan and do all such acts, deeds, and things as may be necessary under the law in this regard.</p> <p>FURTHER RESOLVED that all actions heretofore taken by the Chief Executive on behalf of the Company in respect of the above matter be and are hereby confirmed, ratified and adopted by the Company in full.</p>			
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Signature of the Shareholder(s)

Place:

Date:

NOTES:

1. Duly filled postal ballot should be sent to the following business address and email ID: Address Tricon Corporate Centre Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore chairman@shahzad.com.
2. A copy CNIC should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach the chairman of the meeting on or before October 27, 2025 (last date of receiving postal ballot). Any postal ballot received after this date will not be considered for voting.
4. Signature on the Postal Ballot should match the signature on the CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, or overwritten ballot papers will be rejected. Ballot paper has also been placed on the website of the Company www.shahzadtex.com for download..

CHAIRMAN'S REVIEW REPORT

On behalf of the Board of Directors, I am pleased to present the Chairman's Review Report of Shahzad Textile Mills Limited for the financial year ended June 30, 2025.

The year under review remained challenging for Pakistan's textile sector, with global demand contraction, fluctuations in cotton prices, rising energy costs, and liquidity constraints weighing on the industry. Despite these adverse conditions, the Company delivered a commendable performance, recording 3.24% revenue growth and sustaining profitability as compare to loss in previous year through prudent cost management, operational efficiencies, and strategic sourcing.

To strengthen our competitiveness, the Company enhanced its product mix, broadened its market presence, and implemented process improvements to increase productivity and quality standards. These initiatives not only mitigated external pressures but also positioned the Company to capitalize on emerging opportunities. Moving forward, our strategic priorities will remain focused on expanding value-added textile segments, diversifying export markets, and embedding sustainable practices to align with evolving global compliance requirements.

The Board of Directors continues to uphold the highest standards of corporate governance in line with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, and the Pakistan Stock Exchange requirements. Integrity, ethical business conduct, and transparency remain central to our governance framework, reinforced through our Code of Conduct, Whistle-Blowing Policy, and Business Ethics guidelines.

I extend my sincere appreciation to the Board for their valuable guidance, and to our management and employees for their dedication, professionalism, and resilience in delivering these results. With a clear strategic direction and a solid foundation, Shahzad Textile Mills Limited is well-positioned to navigate challenges, sustain growth, and contribute meaningfully to Pakistan's textile exports and overall economic development.

Lahore:

Dated: October 06, 2025,



MIAN PARVEZ ASLAM

Chairman

DIRECTORS' REPORT

The Board of Directors of Shahzad Textile Mills Limited takes pleasure in presenting the 47th Annual Directors' Report to the shareholders, together with the performance review, the auditors' report, and the audited financial statements of the Company for the financial year ended June 30, 2025.

"The financial results of the Company for the year ended June 30, 2025, are summarized below:"

	2025 (Rupees)	2024 (Rupees)
Sales	11,371,016,350	11,014,646,483
Gross Profit	695,207,728	517,465,997
Operating Profit	190,561,285	85,812,496
Profit before Levy and Taxation	351,232,410	82,453,852
Levy and Taxation	(193,207,066)	(181,236,830)
Net Profit / (Loss) for the year	158,025,344	(98,782,978)

During the financial year 2025, the Company achieved notable growth in sales by 3.24%, reaching Rs. 11.371 billion compared to Rs. 11.015 billion in the previous year. Profit after tax rose to Rs. 158.025 million, reflecting a remarkable turnaround from the previous year's loss of Rs. 98.783 million. This improvement demonstrates the Company's enhanced revenue generation and margin expansion during the year.

Export sales from the socks division reached Rs. 1,435.977 million, marking a strong 33.57% increase over the previous year's Rs. 1,075.091 million. However, there were no exports from the spinning unit, as compared to Rs. 29.281 million in the preceding year, primarily due to reduced global competitiveness driven by high energy costs and continued economic uncertainty.

The Company's newly introduced Employees' Provident Fund Scheme, established under the Punjab Trust Act 2020, remains under registration due to the absence of a designated regulator in the Province of Punjab. Nevertheless, the Company has prudently placed all provident fund contributions into a separate savings bank account and mutual fund investments. The returns earned from these investments are duly recorded and credited to the employees' provident fund accounts. Moreover, a comprehensive and independently maintained record of all provident fund transactions is kept by the Company.

FUTURE OUTLOOK

In view of the rising input costs—particularly escalating energy expenses—the management is actively evaluating various strategic measures to improve operational efficiency and cost competitiveness. Among these initiatives, the Company plans to secure financing from financial institutions and/or dispose of assets held for sale to fund the installation of a Solar Energy System with an approximate capacity of 2 megawatts at the mill premises.

This capital investment carries an estimated payback period of 1.75 years and is expected to have a positive and lasting impact on profitability in the coming years. The proposed disposal of the asset held for sale will not affect the Company's operational capacity.

Furthermore, the management remains committed to enhancing human capital through focused training and professional development programs. These initiatives aim to strengthen employee capabilities and ensure alignment with the Company's performance goals in an increasingly competitive business environment.

In parallel, the Company continues to foster strong partnerships with key industry stakeholders, including suppliers, customers, and service providers, to reinforce market presence, promote innovation, and achieve sustainable growth.

EARNING / (LOSS) PER SHARE

For the year ending June 30, 2025, the Company reported earnings per share (EPS) of Rs. 8.79, representing a significant improvement from the loss per share of Rs. (5.50) recorded in the previous financial year. This turnaround reflects the Company's strengthened operational performance and effective cost management strategies during the year.

DIVIDEND

Due to capital expenditure during the year the Board of Directors has not recommended any dividend for the financial year ended June 30, 2025.

The Company remains focused on enhancing shareholder value through improved profitability, prudent capital allocation, and effective cash flow management. Key strategic priorities include reducing outstanding debt, lowering financial expenses, and undertaking productive capital investments aimed at sustaining long-term growth.

The Board remains optimistic that, with continued operational improvements and a stronger financial foundation, the Company will be able to resume dividend distributions in the future.

ISO CERTIFICATIONS

ISO 9001:2015 – Yarn & Socks and ISO 45001:2018 & 45001:2015 – Socks

The Company remains fully committed to maintaining the highest standards of product quality to ensure complete customer satisfaction. In pursuit of this goal, Shahzad Textile Mills Limited has obtained and continues to uphold certifications for **ISO 9001:2015**, **ISO 45001:2018**, and **ISO 45001:2015**, covering its yarn and socks operations.

These certifications are renewed every three years following comprehensive audits and rigorous verification processes of the Company's quality management and occupational health and safety systems.

By maintaining these internationally recognized standards, the Company not only reinforces the confidence of its long-standing customers but also enhances its credibility and attractiveness to new clients in both domestic and export markets.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

While the Company delivered improved financial results during the year, it continues to operate in an environment influenced by various internal and external risk factors. These factors, if not effectively managed, may adversely affect future performance. The Company's risk management framework ensures that potential challenges are identified, assessed, and mitigated through robust policies and proactive oversight.

SUSTAINABILITY COMMITTEE

In accordance with Regulation 10A(5) of the Code of Corporate Governance (CCG) Regulations, 2019, the Board of Directors holds overall responsibility for formulating the Company's sustainability strategies, priorities, and performance targets with the objective of creating long-term corporate value.

While the establishment of a dedicated Sustainability Committee—comprising at least one female director—is a non-mandatory requirement, the Company intends to comply with this provision in the coming years.

At present, the Board directly oversees the Company's initiatives related to Environmental, Social, and Governance (ESG) matters, ensuring that sustainability considerations remain integrated into strategic and operational decision-making.

RISK FACTORS

A) FOREIGN EXCHANGE RISK

Foreign currency risk primarily arises from receivables and payables denominated in currencies other than the Pakistani Rupee. Company remains exposed to foreign exchange risk on trade debts, payables, and revenues that are transacted in foreign currencies.

B) LIQUIDITY RISK

Liquidity risk represents the potential inability of an enterprise to generate sufficient funds to meet its financial obligations as they fall due. The Company's exposure to liquidity risk primarily stems from the mismatch between the maturities of its financial assets and liabilities. To mitigate this risk, the Company adheres to a robust cash flow management and financial planning policy, ensuring the timely availability of funds while proactively addressing new funding requirements.

C) CREDIT RISK

Credit risk represents the potential accounting loss that may arise if counterparties fail to meet their contractual obligations. To mitigate this risk, the Company has established a structured credit approval process through which credit limits are assigned to customers. Furthermore, Management continuously monitors customer exposures and maintains provisions against balances considered doubtful of recovery, thereby ensuring prudent risk management.

D) INTEREST RATE RISK

Interest rate risk refers to the potential impact on the fair value or future cash flows of financial instruments due to fluctuations in market interest rates. The Company's exposure to this risk primarily arises from its short- and long-term bank borrowings, term deposits, savings and profit and loss accounts maintained with banks, as well as investments in mutual funds.

CHANGES DURING THE FINANCIAL YEAR CONCERNING THE NATURE OF THE BUSINESS OF THE COMPANY

There were no changes in the nature of the Company's core operations during the financial year. Shahzad Textile Mills Limited continued its activities in textile yarn and socks manufacturing, maintaining its established business lines and operational scope throughout the period under review.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE, AND POSITION OF THE COMPANY'S BUSINESS

The Board is pleased to report that the Company achieved satisfactory financial results during the year despite facing challenging macroeconomic conditions. However, the prevailing environment—marked by currency depreciation, persistent inflationary pressures, and rising input costs—continues to pose substantial risks to business performance and industry competitiveness.

To ensure sustainable growth, it is crucial for policymakers to focus on strengthening political stability, stabilizing the exchange rate, and reducing both fiscal and current account deficits. Such measures would foster a more conducive environment for industrial development and overall economic progress.

The Board further confirms that there have been no material changes or commitments between June 30, 2025, and the date of this report that could have a significant impact on the Company's financial position.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

We are committed to maintaining a clean and pollution-free environment at our mills by employing advanced safety systems designed to remove fluff and other airborne particles that may pose health risks to our workers.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented a comprehensive internal control system aligned with the size, scale, and complexity of its operations. Well-documented procedures have been established for various processes, which are periodically reviewed and updated in line with evolving business requirements. The Internal Audit function continuously evaluates the effectiveness of these controls and submits regular reports to the Audit Committee and the Board of Directors. This internal control framework ensures robust governance and supports effective compliance with the Companies Act, 2017, and the Listing Regulations, 2019.

RELATED PARTIES TRANSACTIONS

All related party transactions during the financial year were conducted at arm's length, with pricing determined in accordance with the Comparable Uncontrolled Price Method. These transactions are duly disclosed in the accompanying audited financial statements.

The Audit Committee has thoroughly reviewed and recommended all such transactions to the Board of Directors, which subsequently granted its approval. In accordance with regulatory requirements, these transactions will be presented before the shareholders at the forthcoming Annual General Meeting for their consideration and endorsement.

The Company continues to ensure that all related party dealings are transparent, properly documented, and consistent with market conditions, thereby upholding good corporate governance practices.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT WORK PLACE

The Company is deeply committed to fostering a safe, respectful, and inclusive workplace, where every employee is treated with dignity and professionalism. Shahzad Textile Mills Limited maintains a zero-tolerance policy toward all forms of harassment, discrimination, or misconduct within the organization.

To promote a positive work culture, the Company provides regular awareness and compliance training and ensures that all employees are informed about their rights and responsibilities under the Code of Conduct.

Any reported violation is investigated promptly and impartially, and disciplinary action—ranging from a formal warning to termination—is taken based on the severity of the offense. Through these measures, the Company strives to maintain a healthy and ethical work environment that supports employee well-being and productivity.

ANTI-CORRUPTION

The Company is committed to maintaining a corruption-free workplace, strictly prohibiting all forms of corrupt practices, including bribery, extortion, and undue influence. We uphold the highest standards of integrity and transparency in all aspects of our operations.

CORPORATE SOCIAL RESPONSIBILITY

Shahzad Textile Mills Limited integrates social, environmental, and ethical values into its overall business strategy, seeking to balance the interests of all stakeholders while contributing positively to the communities in which it operates.

As a responsible corporate citizen, the Company's CSR framework is centered on sustainability, inclusivity, and shared value creation. Key areas of focus include employee welfare, environmental conservation, and community support initiatives.

During the year, the Company contributed approximately Rs. 6 million towards CSR-related activities, including welfare assistance for employees and their families, financial support for dependents of deceased employees, and community development programs.

The Company is also duly registered with the Social Security and Employees' Old-Age Benefits Institution (EOBI) and makes regular contributions to ensure healthcare and retirement benefits for its workforce.

I) Health, Safety and Environment

At Shahzad Textile Mills Limited, the health, safety, and well-being of our employees are of paramount importance. We are committed to providing a safe, secure, and environmentally responsible workplace where employees can perform their duties with confidence.

The Company is duly registered with the Social Security and Employees' Old Age Benefits Institution (EOBI) and makes regular contributions to ensure healthcare and retirement benefits for its workforce.

To strengthen workplace safety and environmental sustainability, we have implemented the following measures:

- **Fire Alarm System:** Installed to provide timely alerts in case of fire emergencies, enabling swift response.
- **First Aid Facilities:** Well-equipped first aid boxes are placed throughout the premises to ensure immediate medical assistance for minor injuries.
- **Fire Hydrant System:** Strategically located and regularly maintained fire hydrants to ensure operational readiness at all times.
- **Effluent Treatment Plant:** Installed to ensure safe and responsible management of industrial waste, reinforcing our commitment to environmental protection.
- **Waste Heat Boiler:** Enhances energy efficiency by utilizing excess heat while contributing to a safer working environment.
- **Fire Control and Refiltering System:** Designed to prevent the spread of fire, protect ecosystems, and maintain a safer environment by reducing combustible materials and promoting sustainability.

II) Work-Life Balance

The Company is committed to fostering a healthy work-life balance for its employees. Standard working hours are observed from 9:00 a.m. to 5:30 p.m., allowing employees sufficient time to engage in recreational and family activities outside of work.

III) Business Ethics

Management is dedicated to conducting all business activities with the highest standards of integrity, transparency, and compliance with applicable laws and regulations. A formal Code of Conduct, duly approved by the Board of Directors, guides the ethical and professional behavior expected across the organization.

Contribution to the National Exchequer

As part of our social responsibility and commitment to national development, the Company contributed PKR 629.895 million

to the Government Exchequer during the financial year 2024–25. This contribution comprised income tax, sales tax, import duties, levies, and other statutory payments.

Energy Conservation

In alignment with its sustainability objectives, the Company continues to focus on energy conservation and renewable resource utilization. Measures such as the installation of a Solar Energy System and adoption of energy-efficient technologies have been implemented to reduce power consumption and operational costs.

Employees are regularly encouraged to participate in awareness programs and adopt energy-saving practices in daily operations to further support environmental stewardship.

COMPOSITION OF THE BOARD

The composition of the Board of Directors is in compliance with the requirements of the Listed Companies Code of Corporate Governance (CCG), Regulations 2019 applicable to a listed company, which is given below:

Total Number of Directors:

a)	Male	06
b)	Female	01

Composition:

i)	Independent Directors	02
ii)	Non-Executive Directors	03
iii)	Executive Directors	02

NAME OF THE DIRECTORS AND BOARD OF DIRECTORS MEETING

During the period under review, eight (8) meetings of the Board of Directors were held from July 01, 2024, to June 30, 2025. The names of directors during the year and details regarding the attendance by the Board members at these meetings have been provided below:

Name of Directors	No. of Meetings Attended
Mian Parvez Aslam	8
Mr. Imran Aslam	8
Mr. Irfan Aslam	8
Mr. Danish Aslam	8
Syed Raza Ali Bokhari	8
Dr. Ali Raza Khan	8
Mrs. Nazish Imran	8

AUDIT COMMITTEE

The Board has formed an Audit Committee, which consists of the following directors:

Syed Raza Ali Bokhari	Independent Director	Chairman
Mian Parvez Aslam	Non-Executive Director	Member
Mr. Irfan Aslam	Non-Executive Director	Member

During the period under review, six (6) meetings of the audit committee of the company were held from July 01, 2024, to June 30, 2025, respectively, and the details of the attendance at these meetings are as follows:

Name of Member	No. of Meeting Attended
Syed Raza Ali Bokhari	Six (6)
Mian Parvez Aslam	Six (6)
Mr. Irfan Aslam	Six (6)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In Compliance with the Code of Corporate Governance (CCG) Regulations, 2019, the Board of Directors has formed a Human Resource and Remuneration Committee comprising of three Directors named below. The HR & R Committee provides assistance to the Board of Directors in helping the Company's Human Resource function efficiently. Further, the HR & R Committee will also assess and make recommendations to ensure that the Company's Human Resource policies are objectively associated with its overall business.

Dr. Ali Raza Khan	Independent Director	Chairman
Mr. Danish Aslam	Executive Director	Member
Mrs. Nazish Imran	Non-Executive Director	Member

Names of the members of the Committee	No. of Meeting Attended
Dr. Ali Raza Khan	Two (2)
Mr. Danish Aslam	Two (2)
Mrs. Nazish Imran	Two (2)

CORPORATE GOVERNANCE

The Statement of Compliance, as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, is annexed to this report. However, the Statement of Compliance under the Companies Act, 2017 has not yet been notified.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Performance Evaluation of the Board of Directors and Board Committees

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has established a structured mechanism for evaluating the performance of the Board of Directors and its Committees. The evaluation process, conducted through a comprehensive questionnaire, is designed to assess the effectiveness of the Board in fulfilling its responsibilities.

The key areas of assessment include:

- Alignment of corporate goals and objectives with the Company's vision and mission;
- Formulation of strategies for sustainable operations;
- Measurement and monitoring of organizational performance; and
- Evaluation of Board Committees with respect to the discharge of their responsibilities as

DIRECTORS' REMUNERATION

The Company has an approved Remuneration Policy governing compensation for Directors. The remuneration of Executive Directors is reviewed by the Human Resource and Remuneration Committee (HR&R Committee), which submits its recommendations to the Board of Directors for approval. The Board, after due deliberation, finalizes and endorses the remuneration packages in accordance with policy guidelines and performance parameters.

The same framework applies to Non-Executive and Independent Directors, ensuring that all compensation decisions are made with fairness, transparency, and consistency. Comprehensive disclosures relating to Directors' remuneration are provided in respective note to the Financial Statements.

BOARD'S ROLE IN SUSTAINABILITY AND DE&I

Shahzad Textile Mills Limited is firmly committed to fostering Diversity, Equity, and Inclusion (DE&I) as integral components of its sustainability and ethical business strategy. The Company recognizes that diversity enhances innovation, strengthens decision-making, and contributes to long-term competitiveness.

A structured DE&I strategy is being developed to promote gender and ethnic diversity across all levels of the organization, supported by measurable goals and transparent reporting mechanisms. In particular, gender diversity is treated as a strategic advantage that enhances creativity and business performance.

The Company's policies on talent acquisition, development, and employee engagement are closely aligned with DE&I

principles, ensuring equal opportunities and a culture of respect and belonging. Initiatives include talent mobility programs, participation in career fairs, and collaboration with reputable organizations to expand access to professional opportunities.

The Company has also set a target to increase female representation in the workforce to 2% within the next three years, reinforcing its commitment to inclusive growth and equitable representation.

Gender, Race & Diversity

Shahzad Textile Mills Limited (STML) is committed to fostering a culture of inclusivity and diversity, ensuring that every individual has the opportunity to thrive. During the past year, the Company has made meaningful progress in enhancing gender diversity across the organization.

We recognize diversity as a critical driver of innovation, creativity, and competitiveness, and remain committed to building a workplace that reflects broad representation across gender and ethnicity. STML actively encourages women's participation at all organizational levels and ensures equal opportunities for professional growth and advancement for all employees.

APPOINTMENT OF AUDITORS

The statutory auditors, M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, have completed the audit for the year ended June 30, 2025, and issued an unqualified audit report.

They retire at the conclusion of this Annual General Meeting and, being eligible, have offered themselves for reappointment for the financial year ending June 30, 2026. On the recommendation of the Audit Committee, the Board of Directors has endorsed their reappointment with an increase in remuneration by Rs. 350,000.

This recommendation will be placed before the shareholders at the forthcoming Annual General Meeting for approval.

EXECUTIVE

For reporting purposes, an Executive is defined as any employee—other than the Chief Executive Officer and Directors—whose annual basic salary exceeds PKR 1.2 million during the financial year.

This classification ensures transparent reporting and compliance with the disclosure requirements under applicable corporate regulations.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as of June 30, 2025, is annexed to this report in compliance with applicable regulations.

SUBSEQUENT EVENTS

The Board confirms that there have been no material changes or commitments between the close of the financial year and the date of this report that could have a significant impact on the Company's financial position or performance. The Company continues to monitor economic and operational developments to ensure stability and safeguard stakeholder interests.

ACKNOWLEDGMENT

The Board of Directors extends its sincere appreciation to all employees, customers, and shareholders of Shahzad Textile Mills Limited for their continued commitment, trust, and support.

The Board also acknowledges the dedication and hard work of the Company's management and staff, whose professionalism and teamwork have been instrumental in achieving operational improvements and strengthening the Company's market standing.

With the collective efforts of its employees, the confidence of its shareholders, and the loyalty of its valued customers, Shahzad Textile Mills Limited remains well-positioned to achieve sustainable growth and long-term success in an increasingly competitive textile industry.

For and on behalf of the Board



DIRECTOR



CHIEF EXECUTIVE

Lahore:

Dated October 06, 2025

GENDER PAY GAP STATEMENT

Gender Pay Gap Statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024.

Following is the gender pay gap calculated for the year ended June 30, 2025:

	2025	2024
(i) Mean Gender Pay Gap:	6.44%	5.27 %
(ii) Median Gender Pay Gap:	1.33 %	1.54 %
(iii) Any other data/details as deemed relevant: the above ratios reflect the overall employee's gender pay gap across the organization. The Company ensures equitable compensation for female members in their respective roles, based on experience, qualifications and performance.		

on behalf of the Board of Directors



Chief Executive

October 06, 2025
Lahore

INDEPENDENT AUDITOR'S REPORT**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SHAHZAD TEXTILE MILLS LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **SHAHZAD TEXTILE MILLS 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 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 or loss, and the 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 the 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 are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1. Revenue Recognition	
<p>Refer notes 3.16 and 27 to the annexed financial statements</p> <p>The Company has earned revenue of Rs. 11,371.016 million for the year ending June 30, 2025. The Company is primarily engaged in manufacturing and sale of yarn and socks.</p> <p>We consider revenue a key audit matter due to the fact that it is one of the key performance indicators of the Company. In addition, revenue was also considered an area of significant audit risk as part of the audit process.</p>	<p>Our key audit procedures related to revenue included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. • Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Compared a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Examined the customer receipts for sales made during the year. • Assessed the appropriateness and adequacy of disclosed information in the financial statements in accordance with the relevant accounting and reporting standard standards.
2. Stock in trade	
<p>Refer to note 3.11 & 20 to the financial statements.</p> <p>As at June 30, 2025, the Company holds certain items of raw materials, work in process and finished goods amounting to Rs. 857.586 million and stock in trade is stated at lower of cost and estimated net realizable value.</p> <p>We have considered this area as a key audit matter due to its size and the judgment involved in valuation.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Observed physical inventory count procedures and comparing, on a sample basis, physically counted inventories with valuation sheets provided by the management • Compared on a sample basis specific purchases and directly attributable costs with underlying supporting documents • Checked the accumulation of costs at different stages of production to ascertain valuation of work in process and finished goods • Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting

Key Audit Matters	How the Matter was Addressed in our Report
	<ul style="list-style-type: none"> • Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. • Assessed the provision for slow moving stocks as of the reporting date and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

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, 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 the 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 is 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zain ul Arfeen.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore


Dated: October 06, 2025

UDIN Number: AR202510832KEBVUN0fx

STATEMENT OF FINANCIAL POSITION

		2025	2024
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital:			
40,000,000 (2024: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital	5	179,713,720	179,713,720
Reserves	6	2,125,746,811	1,902,233,795
Surplus on revaluation of property, plant and equipment	7	1,227,095,342	1,244,680,240
		3,532,555,873	3,326,627,755
Non Current Liabilities			
Long term financing	8	144,357,091	221,437,467
Deferred tax liability	9	498,554,367	440,547,106
		642,911,458	661,984,573
Current Liabilities			
Trade and other payables	10	935,371,156	718,364,264
Unclaimed dividends		146,294	146,294
Unpaid dividends		199,348	199,348
Accrued mark up		18,315,179	35,003,816
Current portion of non-current liabilities	11	183,350,763	183,350,763
Short term borrowings	12	871,518,668	809,338,431
Provision for taxation	13	143,316,211	134,922,150
		2,152,217,619	1,881,325,066
Contingencies and Commitments			
	14	-	-
		6,327,684,950	5,869,937,394

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



CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AS AT JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	15	2,721,485,898	2,791,240,812
Investment property	16	-	108,150,000
Investment in associate	17	1,054,875,759	916,777,204
Long term deposits	18	3,847,448	3,847,448
		3,780,209,105	3,820,015,464
Current Assets			
Stores and spares	19	219,573,323	183,932,570
Stock in trade	20	857,585,734	755,307,391
Trade debts	21	166,305,619	301,813,054
Advances, deposits, prepayments and other receivables	22	294,494,302	205,693,866
Short term investments	23	151,375,056	36,566,313
Tax refunds due from the Government	24	301,958,926	357,458,586
Cash and bank balances	25	386,232,885	209,150,150
		2,377,525,845	2,049,921,930
Asset held for sale	26	169,950,000	-
		6,327,684,950	5,869,937,394


CHIEF EXECUTIVE OFFICER


DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
Sales	27	11,371,016,350	11,014,646,483
Cost of sales	28	(10,675,808,622)	(10,497,180,486)
Gross Profit		695,207,728	517,465,997
Operating Expenses			
Selling and distribution costs	29	(182,094,546)	(145,037,796)
Administrative expenses	30	(322,551,897)	(286,615,705)
		(504,646,443)	(431,653,501)
Operating Profit		190,561,285	85,812,496
Finance cost	31	(117,875,372)	(192,537,238)
Other operating expenses	32	(18,706,067)	(16,667,437)
Other income	33	215,510,214	138,859,631
Share of net profit of associate	17	81,742,350	66,986,400
		160,671,125	(3,358,644)
Profit before Levy and Taxation		351,232,410	82,453,852
Levy / final taxation	34	(71,305,284)	(134,922,150)
Profit / (Loss) before Taxation		279,927,126	(52,468,298)
Taxation	34	(121,901,782)	(46,314,680)
Net Profit / (Loss) for the Year		158,025,344	(98,782,978)
Earning / (Loss) per Share - Basic and Diluted	35	8.79	(5.50)

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


CHIEF EXECUTIVE OFFICER



DIRECTOR


CHIEF FINANCIAL OFFICER

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

	2025	2024
	Rupees	Rupees
Net Profit / (Loss) for the Year	158,025,344	(98,782,978)
Other Comprehensive Income for the Year		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation surplus on property, plant and equipment	-	430,964,969
Related tax impact	-	(18,064,091)
Share in other comprehensive income of associate	56,356,205	6,670,183
Related tax impact	(8,453,431)	(1,000,527)
Other comprehensive income for the year	47,902,774	418,570,534
Total Comprehensive Income for the Year	<u>205,928,118</u>	<u>319,787,556</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Issued Subscribed and Paid up Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves	Total		
		Share Premium	Unappropriated Profit			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	179,713,720	5,796,000	1,987,457,457	1,993,253,457	838,080,271	3,011,047,448
Net loss for the year	-	-	(98,782,978)	(98,782,978)	-	(98,782,978)
Other comprehensive income for the year	-	-	5,669,656	5,669,656	412,900,878	418,570,534
Total comprehensive income for the year	-	-	(93,113,322)	(93,113,322)	412,900,878	319,787,556
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning - net of deferred tax	-	-	17,663,173	17,663,173	(17,663,173)	-
Impact of deferred tax on export rate adjustment	-	-	-	-	11,362,264	11,362,264
Share in associate's change in deferred tax rate	-	-	(15,569,513)	(15,569,513)	-	(15,569,513)
Balance as at June 30, 2024	179,713,720	5,796,000	1,896,437,795	1,902,233,795	1,244,680,240	3,326,627,755
Net profit for the year	-	-	158,025,344	158,025,344	-	158,025,344
Other comprehensive income for the year	-	-	47,902,774	47,902,774	-	47,902,774
Total comprehensive income for the year	-	-	205,928,118	205,928,118	-	205,928,118
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning - net of deferred tax	-	-	17,584,898	17,584,898	(17,584,898)	-
Balance as at June 30, 2025	179,713,720	5,796,000	2,119,950,811	2,125,746,811	1,227,095,342	3,532,555,873

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


CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
CASH GENERATED FROM OPERATIONS	36	662,026,811	201,967,435
Income tax paid		(202,031,413)	(76,146,287)
Gratuity paid		-	(164,096,465)
Finance cost paid		(123,934,178)	(179,116,840)
Workers' welfare fund paid		(462,383)	-
		(326,427,974)	(419,359,592)
Net Cash Generated from / (Used in) Operating Activities		335,598,837	(217,392,157)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(57,425,425)	(4,699,471)
Short term investments made		(114,808,743)	(1,003,000)
Proceeds from disposal of property, plant and equipment		24,425,000	2,760,000
Receipt of profit on saving account and TDRs		4,193,205	14,574,090
Net Cash (Used in) / Generated from Investing Activities		(143,615,963)	11,631,619
CASH FLOW FROM FINANCING ACTIVITIES			
Long term financing repaid		(77,080,376)	(75,403,657)
Short term borrowings - net		62,180,237	421,867,716
Net Cash (Used in) / Generated from Financing Activities	37	(14,900,139)	346,464,059
Net Increase in Cash and Cash Equivalents		177,082,735	140,703,521
Cash and cash equivalents at the beginning of the year		209,150,150	68,446,629
Cash and Cash Equivalents at the End of the Year	25	386,232,885	209,150,150

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 1

The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is engaged in manufacturing and dealing in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an associated company that is engaged in manufacturing, selling and dealing in jute products (refer to note 17).

The Company is domiciled in Pakistan. The geographical locations and addresses of the Company's business units, including manufacturing facilities are as under:

Business Units	Geographical Location
Head Office	7th Floor, Office 701, Tricon Corporate Center, 73-E Jail Road, Gulberg - II, Lahore
3 Manufacturing	34 KM, Lahore-Sheikhupura Road, Sheikhupura
1 Manufacturing facility	7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the IFAS, 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 under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 15	Stated at revalued amount
Investment property	Note 16	Stated at fair value
Investment in associate	Note 17	Stated at equity method
Certain investments	Note 23	Stated at fair value
Asset held for sale	Note 26	Stated at fair value

2.3 Functional and presentational currency

These financial statements are prepared and presented in Pak Rupees which is the functional and presentation currency of the Company. All the figures are rounded off to nearest rupees, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires 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.

These estimates and related assumptions are reviewed on ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.6 & 15
- Fair value of investment property - Note 3.7 & 16
- Investment in associate under equity method - Notes 3.9 & 17
- Net realisable values of stock-in-trade & store and spares - Notes 3.10, 3.11, 19 & 20
- Provision for expected credit allowance - Note 3.14.1 & 21

- Current income tax expense, provision for current tax, recognition of deferred tax asset (for carried forward tax losses) and levies - Note 9, 13 & 34
- Estimation of contingent liabilities - Note 3.5 & 14

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations 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.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures" Supplier Finance Arrangements	January 1, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 1, 2024

2.5.2 'Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the 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.

Standards, interpretations and amendments		Effective Date - Annual periods Beginning on or After
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 1, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 1, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 1, 2026
IAS 21	Amendments to lack of exchangeability	January 1, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 1, 2026
IFRS S2	Climate-Related Disclosures	July 1, 2026

2.5.3 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

Note 3

Material Accounting Policy Information

The material accounting policy information adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of 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.

3.2 Staff retirement benefits

Defined contribution plan

The entity operates a defined contributory provident fund for its employees. Contributions are made equally by the Company and the employee at 5.5% of gross salary in the provident fund on monthly basis. Company's contribution is recognized as a cost in the profit or loss. The entity's provident fund is currently in the process of registration. The funds have been maintained in a separate designated bank account maintained by the Company and a markup @ 3-month KIBOR plus 1.25% rate is being paid by the Company.

3.3 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in the statement of changes in equity, or other comprehensive income, as the case may be.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Company is also calculated. However, in case of taxable loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Tax balances are measured using the most likely amount or expected value. Current tax assets and liabilities are offset if the Company has a legal right to do so and intends to settle them on a net basis or simultaneously.

Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFIRC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under final tax regime.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences. Deferred tax assets are recognized for all major deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the assets may be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.4 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.5 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.6 Property, plant and equipment

Owned

Items of property, plant and equipment other than land-freehold, buildings on freehold land, plant and machinery and power house are stated at cost less accumulated depreciation and identified impairment losses, if any. Land-freehold, buildings on freehold land, plant and machinery and power house are stated at revalued amount less accumulated depreciation and identified impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. Surplus on revaluation of land-freehold, building on freehold land, plant and machinery and power house is recognized in equity. On disposal of particular revalued asset the related revaluation surplus is transferred to the unappropriated profit.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also includes cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land, has been provided for using the reducing balance method at the rates specified in Note 15 and is charged to profit or loss. Depreciation on additions is charged from the date in which the asset is available for use up to the date on which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost may also include applicable borrowing costs. These are transferred to specific assets as and when these are available for use. All other repairs and maintenance are charged to statement of profit or loss during the period in which these are incurred.

3.7 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognised in the profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 16.

3.8 Impairment of non financial assets other than inventories

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on such assets are charged to the profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount over its remaining useful life.

3.9 Investment in associate

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

3.10 Stores and spares

These are valued at lower of moving average cost and net realizable value (NRV); whilst items considered obsolete are written off. Net realizable value is the higher of recoverable amount and fair value less cost to sell. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.11 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw materials	- Monthly average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriately allocated manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at bank in current and savings accounts, both in local and foreign currency.

3.13 Balances from contract with customers

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. These are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract assets

A contract asset is the right to consideration in exchange for goods already transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is received or the payment is due if a customer pays consideration before the Company transfers goods to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition. The Company has currently financial assets that are measured at amortized cost and fair value through profit or loss.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forwardlooking factors specific to the debtors and the economic environment.

3.14.2 Financial liabilities**a) Initial recognition and measurement**

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

3.14.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

3.16 Revenue recognition - Sale of goods

Revenue is recognized when performance obligation is satisfied by applying the following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (the Chief Executive Officer of the Company) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels of fair value measurement which are as under:

- **Level 1** — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- **Level 2** — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** — Unobservable inputs for the asset or liability.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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 of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Asset held for sale

The Company presents its non-current assets and liabilities related to that asset held for sale separately from other assets in the statement of financial position. These assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall be separately disclosed either in the statement of financial position or in the notes, except as permitted by paragraph 39. The Company presents separately any cumulative income or expense recognised in profit and loss and other comprehensive income relating to a non-current asset classified as held for sale in accordance with the requirements of IFRS-5.

Note 4

Other Accounting Policies

Other accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

4.1 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognised in the statement of profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.2 Borrowing costs

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

4.3 Dividend distribution

Dividend distribution to Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to financial statements.

Note 5

Issued, Subscribed and Paid Up Capital

2025	2024		2025	2024
			Rupees	Rupees
Number of shares				
12,240,569	12,240,569	Ordinary shares of Rs. 10 each fully paid in cash	122,405,690	122,405,690
4,418,803	4,418,803	Ordinary shares of Rs. 10 each issued for consideration otherwise than in cash - shares issued on amalgamation	44,188,030	44,188,030
1,312,000	1,312,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	13,120,000	13,120,000
<u>17,971,372</u>	<u>17,971,372</u>		<u>179,713,720</u>	<u>179,713,720</u>

5.1 No shares were cancelled or further issued during the year (2024: Nil).

5.2 Shares held by related parties are as follows:

	2025	2024	2025	2024
	Percentage		Number of Shares	
Directors and close relatives	78.56%	73.83%	14,118,981	13,268,831
Executives	0.0028%	0.0028%	500	500
Sargodha Jute Mills Limited	0.12%	0.12%	21,090	21,090
			<u>14,140,571</u>	<u>13,290,421</u>

5.3 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

Note 6

Reserves

	2025	2024
	Rupees	Rupees
Capital		
Share premium reserve	5,796,000	5,796,000
Revenue		
Unappropriated profits	2,119,950,811	1,896,437,795
	<u>2,125,746,811</u>	<u>1,902,233,795</u>

Note 7

Surplus on Revaluation of Property, Plant and Equipment

	2025	2024
	Rupees	Rupees
Land - freehold		
- Opening balance	964,740,670	596,065,670
- Revaluation during the year	-	368,675,000
	964,740,670	964,740,670
Buildings on freehold land		
- Opening balance	172,671,830	143,053,604
- Revaluation during the year	-	42,803,563
Less: Related deferred taxation	-	(12,413,033)
	172,671,830	173,444,134
Plant and machinery		
- Opening balance	83,348,280	72,554,471
- Revaluation during the year	-	16,947,758
Less: Related deferred taxation	-	(4,914,850)
	83,348,280	84,587,379
Power house		
- Opening balance	23,919,460	26,406,526
- Revaluation during the year	-	2,538,648
Less: Related deferred taxation	-	(736,208)
	23,919,460	28,208,966
	1,244,680,240	1,250,981,149
Deferred tax relating to rate change	-	11,362,264
Transferred to retained earnings in respect of net incremental depreciation - net of deferred tax	(17,584,898)	(17,663,173)
	<u>1,227,095,342</u>	<u>1,244,680,240</u>

7.1 Latest revaluation of operating fixed assets was carried out as on June 30, 2024 by an independent valuer that resulted in revaluation surplus of Rs. 430.964 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value
Plant and machinery	Market Value / Depreciated Value
Power house	Market Value / Depreciated Value

7.2 The surplus on revaluation of operating fixed assets is not available for distribution to shareholders in accordance with section 241 of the Companies Act, 2017.

7.3 Incremental depreciation charged on revalued operating fixed assets has been transferred to retained earnings to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

Note 8

Long Term Financing

		2025	2024
	Note	Rupees	Rupees
Secured			
Habib Metropolitan Bank Limited - SBP LTFF	8.1	191,696,000	254,744,000
Meezan Bank Limited - Diminishing Musharka	8.2	29,741,467	43,773,843
		221,437,467	298,517,843
Less: Current portion	11	(77,080,376)	(77,080,376)
		<u>144,357,091</u>	<u>221,437,467</u>

8.1 This long term finance facility was availed to retire documents of import LC that were established for import of machinery for socks unit of the Company. The sanctioned limit amounted to Rs. 291 million (2024: Rs. 291 million) and was secured by way of creating charge of Rs. 560 million (2024: Rs. 560 million) registered with SECP on complete socks unit installed with 25% margin and personal guarantee of sponsoring directors. This facility is repayable in 24 equal quarterly installments latest by January 2029 and carries markup at SBP rate plus 3% (2024: SBP rate plus 3%) per annum, payable on quarterly basis.

- 8.2** This represents shariah compliant borrowing (diminishing musharka facility) utilised from Meezan Bank Limited amounting to Rs. 29.741 million (2024: Rs. 43.77 million) for purchase of machinery. The sanctioned limit amounts to Rs. 100 million (2024: Rs. 100 million) and is secured by way of exclusive charge over imported machinery with 15% margin and personal guarantee of sponsoring directors. This facility is repayable in 16 equal quarterly instalments, latest by July 2027. It carries markup at 3 months KIBOR plus 1.25%(2024: 3 months KIBOR plus 1.25%) per annum.

Note 9

Deferred Tax Liability

		2025	2024
	Note	Rupees	Rupees
Deferred tax liability - net	9.1	498,554,367	440,547,106
9.1 Deferred tax liability - net			
Taxable temporary differences:			
- Share of net assets in associate		148,391,364	127,676,581
- Accelerated tax depreciation		261,508,023	261,531,897
- Investment property		46,321,387	28,070,041
- Surplus on revaluation of property, plant and equipment		89,035,775	94,973,461
		545,256,549	512,251,980
Deductible temporary differences:			
- Allowance for doubtful debts and advances		(11,652,540)	(8,559,200)
- Unused tax credits available		(27,068,731)	(59,925,170)
- Others		(7,980,911)	(3,220,504)
		(46,702,182)	(71,704,874)
		498,554,367	440,547,106
9.2 Reconciliation of deferred tax liability			
Opening balance		440,547,106	389,707,075
Tax effect recognized in profit or loss	34	49,553,830	43,137,677
Recognized in other comprehensive income		8,453,431	19,064,618
Rate adjustment on revaluation surplus taken directly to equity - net		-	(11,362,264)
Closing balance		498,554,367	440,547,106

- 9.3** Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2024: 29%).

9.4 Analysis of change of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Share of net assets in associate	148,391,364	127,676,581	12,261,352	7,712,534
Accelerated tax depreciation	261,508,023	261,531,897	(23,874)	24,598,418
Investment property	46,321,387	28,070,041	18,251,346	5,425,365
Surplus on revaluation of property, plant and equipment	89,035,775	94,973,461	(5,937,686)	(5,467,047)
Staff retirement benefits	-	-	-	43,482,141
Allowance for doubtful debts and advances	(11,652,540)	(8,559,200)	(3,093,340)	(4,949,257)
Unused tax credits available	(27,068,731)	(59,925,170)	32,856,439	(27,068,731)
Others	(7,980,911)	(3,220,504)	(4,760,407)	(595,746)
	498,554,367	440,547,106	49,553,830	43,137,677

- 9.5** Being prudent the Company has decided not to recognize deferred tax asset on minimum tax amounting to Rs. 165.95 million (2024: Rs. 212.950 million) is set to expire as per the following detail:

Expiry in Tax Year	2025	2024
	Rupees	Rupees
2025	-	89,071,811
2026	123,878,423	123,878,423
2027	42,066,614	-
	<u>165,945,037</u>	<u>212,950,234</u>

Note 10

Trade and Other Payables

		2025	2024
	Note	Rupees	Rupees
Creditors for:			
- Goods supplied		187,105,421	128,212,436
- Services		27,285,325	28,579,515
Accrued liabilities		400,208,771	185,262,763
Contract liabilities	10.1	21,187,789	169,004,942
Provident fund payable	10.2	152,139,247	84,018,179
Workers' (profit) participation fund	10.3	12,728,913	1,241,134
Workers' welfare fund	10.4	14,791,470	9,864,052
Sales tax payable	10.5	112,898,887	105,291,843
Unclaimed wages		7,025,333	6,889,400
		<u>935,371,156</u>	<u>718,364,264</u>

- 10.1** An amount of Rs. 166.06 million (2024: Rs. 103.82 million) was recognized as revenue from opening balance of contract liabilities.

- 10.1.1** Contract liabilities include an amount of Rs. 0.060 million (2024: Nil) received from Sargodha Jute Mills Limited - an associated company as advance.

- 10.2** Effective April 1, 2023, the Company initiated provident fund scheme for its employees. While the registration is still in process, the provident fund has not yet been formally registered. In the meantime, the Company is holding the provident fund contributions in a designated saving bank accounts, made investment in mutual funds and term deposit receipts under its name. During the year, profit earned on these savings accounts and return on those investments are recognised as payable to the employees against provident fund (2024: 3-month KIBOR plus 1.25% on balance due to employee against fund).

10.3 Workers' (profit) participation fund

		2025	2024
		Rupees	Rupees
Opening balance		1,241,134	-
Markup on workers' (profit) participation fund	31	273,049	-
Provision for the year	32	11,214,730	1,241,134
		<u>12,728,913</u>	<u>1,241,134</u>
Payments made during the year		-	-
Closing balance		<u>12,728,913</u>	<u>1,241,134</u>

10.4 Workers' welfare fund

		2025	2024
Opening balance		9,864,052	9,401,669
Provision for the year	32	5,389,801	462,383
		<u>15,253,853</u>	<u>9,864,052</u>
Payments made during the year		(462,383)	-
Closing balance		<u>14,791,470</u>	<u>9,864,052</u>

- 10.5** This includes Rs. 48.967 million (2024: Rs. 48.967 million) on account of provision for further sales tax.

Note 11

Current Portion of Non-Current Liabilities

		2025	2024
	Note	Rupees	Rupees
Long term financing	8	77,080,376	77,080,376
Deferred liability - GIDC	11.1	106,270,387	106,270,387
		183,350,763	183,350,763

11.1 This represents Gas Infrastructure Development Cess (GIDC) payable by the Company to Sui Northern Gas Pipelines Limited (SNGPL) in 24 monthly instalments in accordance with the Supreme Court of Pakistan's decision dated August 13, 2020. However, the Company has challenged the decision and the case is pending adjudication.

Note 12

Short Term Borrowings

		2025	2024
	Note	Rupees	Rupees
From banking companies - Secured			
Cash / running / packing finances		434,149,931	360,760,463
Istisna / Musawama - shariah compliant		116,368,737	127,577,968
	12.1	550,518,668	488,338,431
Loan from directors	12.2	321,000,000	321,000,000
		871,518,668	809,338,431

12.1 The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,216 million (2024: Rs. 2,321 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. These facilities shall expire on various dates latest by June 30, 2025. Mark up on these facilities is charged from 1 to 6 months KIBOR plus a spread of 1% to 1.25% (2024: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. These facilities are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The above balance represents the utilized portion of funded facilities. The Company has also utilized un-funded facilities amounting to Rs. 387.064 million (2024: Rs. 274.869 million). Unutilized amount of funded and unfunded facilities is Rs. 1,278.418 million (2024: Rs. 1,557.792 million) as on reporting date.

12.2 This represents short term borrowings provided by the directors of the Company to support the working capital requirements. The loan is unsecured, interest free (2024: 3 months KIBOR) and re-payable on demand.

Note 13

Provision for Taxation - Net

	2025	2024
	Rupees	Rupees
Opening balance	134,922,150	101,800,664
Charge for the year	143,316,211	134,922,150
Prior year adjustment	337,025	3,177,003
	143,653,236	138,099,153
Payments / adjustments against advance tax	(135,259,175)	(104,977,667)
	143,316,211	134,922,150

13.1 The provision for current year is based on turnover tax @ 1.25% on sales (2024: turnover tax @ 1.25% on local sales and @ 1% on export sales).

Note 14

Contingencies and Commitments

	2025	2024
	Rupees	Rupees
14.1 Contingencies		
14.1.1 The Company has provided bank guarantee in favor of the following:		
- Sui Northern Gas Pipelines Limited (SNGPL)	163,566,042	104,052,042
- Lahore Electric Supply Company (LESCO)	10,430,000	10,430,000
- Excise and Taxation Office, Karachi	58,400,000	43,400,000
	<u>232,396,042</u>	<u>157,882,042</u>

14.1.2 The Company is contingently liable for Rs. 55.141 million (2024: Rs. 53.252 million) on account of electricity duty on self generation. The Company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against LESCO and has not admitted the said duty. The case is pending hearing before the Lahore High Court, Lahore.

14.1.3 Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated March 22, 2022, raising a demand of sales tax amounting to Rs. 1,422,344. After the Company's response was deemed unsatisfactory, an assessment order (No. 50/2022) was passed on May 12, 2022, upholding the demand. The Company filed an appeal, and the learned CIR Appeals-V partially accepted the appeal by modifying the assessment order through Appellate Order 16/A-V dated July 25, 2022. The Company, being aggrieved by the decision, has filed a second appeal with the Appellate Tribunal Inland Revenue. However, as the matter is still under litigation, the demand remains contingent upon the final decision of the Appellate Tribunal. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case, accordingly no provision has been recorded in these financial statements.

14.1.4 Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated March 19, 2020, raising charges and a demand of sales tax amounting to Rs. 57,898,522 along with default surcharge. A penalty under the Provisions of Sales Tax Act, 1990, was also proposed. Following adjudication, an assessment order (No. 03/2020) dated August 28, 2020 was issued, upholding a demand of Rs. 17,007,359. The Company appealed, and the learned CIR Appeals-V accepted the appeal, setting aside the order passed by the DCIR and deleting the demand. However, the CIR Legal Division, LTO Lahore, has filed a second appeal before the Appellate Tribunal Inland Revenue. As the matter remains under litigation, the demand is contingent upon the final decision of the Appellate Tribunal. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case, accordingly no provision has been recorded in these financial statements.

14.1.5 Deputy Commissioner Inland Revenue (DCIR) issued an assessment order (No. 13/2025) dated March 10, 2025, raising sales tax demand amounting to Rs. 79,073,463 related to tax period from December 2021 to June 2024. A penalty amounting to Rs. 79,073,463 was also imposed in addition to the default surcharge. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Lahore against the order. The ATIR vide order dated April 29, 2025 remanded the case back to the case to DCIR. The remand back proceedings are yet to be finalized. As the matter remains under litigation, the demand is contingent upon the remand back proceeding and no provision is recorded in the financial statements. The Company on the basis of opinion of their tax advisor is hopeful for a favourable outcome of the case.

14.2 Commitments

The Company's outstanding commitments as at the reporting date are as under:

Letters of credits	<u>154,668,470</u>	<u>116,987,470</u>
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Note 15

Property, Plant and Equipment**Year Ended June 30, 2025**

Description	Cost / Revalued Amounts				Depreciation				Book Value as at June 30, 2025
	As at July 01, 2024	Additions	Revaluation Surplus	Disposals	Revaluation adjustment	As at June 30, 2025	Rate	For the year	As at June 30, 2025
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees
Owned									
Land - freehold	971,812,500	-	-	-	-	-	-	-	971,812,500
Buildings on freehold land	350,793,907	-	-	-	-	17,539,695	5	17,539,695	333,254,212
Plant and machinery	1,301,088,001	1,801,677	-	-	-	65,086,872	5	65,086,872	1,237,802,806
Power house	86,393,000	-	-	-	-	17,278,600	20	17,278,600	69,114,400
Solar panel equipment	26,639,188	-	-	-	-	11,040,100	10	11,040,100	14,039,179
Furniture and fixtures	10,681,195	-	-	-	-	7,579,688	10	7,579,688	2,791,356
Vehicles	131,521,789	33,897,309	-	(40,773,770)	-	95,545,768	20	11,206,829	47,873,711
Electric installations	65,122,054	-	-	-	-	44,348,224	10	2,077,383	18,696,447
Computers and equipment	16,434,261	2,046,939	-	-	-	10,833,312	20	1,310,175	6,337,113
Leasehold improvement	-	19,679,500	-	-	-	-	20	10,783	19,668,717
Arms and ammunition	410,775	-	-	-	-	308,766	7	7,152	94,857
Total as at June 30, 2025	2,960,896,670	57,425,425	-	(40,773,770)	-	169,655,858		116,387,549	2,721,485,898

Year Ended June 30, 2024

Description	Cost / Revalued Amounts				Depreciation				Book Value as at June 30, 2024
	As at July 01, 2023	Additions	Revaluation Surplus	Disposals	Revaluation adjustment	As at June 30, 2024	Rate	For the year	As at June 30, 2024
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees
Owned									
Land - freehold	603,137,500	-	368,675,000	-	-	-	-	-	971,812,500
Buildings on freehold land	359,224,778	-	42,803,563	-	(51,234,434)	16,210,018	5	(51,234,434)	350,793,907
Plant and machinery	1,473,356,523	10,852,040	16,947,758	-	(200,068,320)	67,432,085	5	(200,068,320)	1,301,088,001
Power house	162,458,731	-	2,538,648	-	(78,604,379)	20,963,588	20	(78,604,379)	86,393,000
Solar panel equipment	26,639,188	-	-	-	-	9,306,868	10	1,733,232	15,599,088
Furniture and fixtures	10,681,195	-	-	-	-	7,235,076	10	344,612	3,101,507
Vehicles	136,129,606	-	-	(4,607,817)	-	89,612,958	20	9,218,582	35,976,021
Electric installations	65,122,054	-	-	-	-	42,037,842	10	2,310,382	20,773,830
Computers and equipment	15,627,261	807,000	-	-	-	9,581,478	20	1,251,834	5,600,949
Arms and ammunition	410,775	-	-	-	-	301,088	7	7,678	102,009
Total as at June 30, 2024	2,852,787,611	11,659,040	430,964,969	(4,607,817)	(329,907,133)	383,376,752		119,472,011	2,791,240,812

15.1 Depreciation charge for the year has been allocated as under:

	2025		2024	
	Note	Rupees	Rupees	Rupees
Cost of sales	28	104,473,463	108,649,306	
Administrative expenses	30	11,914,086	10,822,705	
		<u>116,387,549</u>	<u>119,472,011</u>	

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

Location / Address	Usage of Immovable Property		Total Area
34-KM, Lahore-Sheikupura Road, Sheikupura	Manufacturing facility		104 Kanals and 3 Marlas
7-KM, Sheikupura-Faisalabad Road, Kharianwala	Manufacturing facility		128 Kanals and 7 Marlas

15.3 Fair value hierarchy

The Company measured its land; buildings on freehold land; plant and machinery and power house under level 2 of fair value hierarchy. Details of such revalued assets as at the reporting date are as follows:

Level 2

	Land	Buildings	Plant and Machinery	Power House
	Rupees	Rupees	Rupees	Rupees
For the year ending June 30, 2025	971,812,500	333,254,212	1,237,802,806	69,114,400
For the year ending June 30, 2024	971,812,500	350,793,907	1,301,088,001	86,393,000

Assumptions used in fair value calculation have been given in note 7 of these financial statements. No other assets are measured under level 1 and level 3 of the fair value hierarchy.

15.4 Detail of disposals of operating fixed assets

The details of operating fixed assets disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	Cost	Carrying Amount	Sale Proceeds	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Toyota Corolla	2,198,400	615,918	2,400,000	1,784,082	Mr. Umar	Negotiation	Third party
BMW	19,521,307	1,484,727	8,796,945	7,312,218	Mr. Muhammad Ali	Negotiation	Third party
Audi E-tron	16,254,568	8,235,648	10,000,000	1,764,352	Ms. Saira Mehmood	Negotiation	Third party
2025	37,974,275	10,336,293	21,196,945	10,860,652			
2024	1,984,380	1,113,122	1,500,000	386,878			

15.5 Security

The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (Note 8 and Note 12).

15.6 Had there been no revaluation, book values of revalued assets would have been as follows:

	2025	2024
	Rupees	Rupees
Land	7,071,830	7,071,830
Building on freehold land	113,478,748	119,451,313
Plant and machinery	1,131,664,793	1,189,363,777
Power house	43,637,430	54,546,787
	<u>1,295,852,801</u>	<u>1,370,433,707</u>

15.7 Forced sales value of revalued assets as at June 30, 2024, as determined by the independent valuer, were as follows:

	Market Value	Forced Sale Factor	Forced Sales Value
	Rupees	Percentage	Rupees
Freehold land	971,812,500	15%	826,040,625
Buildings on freehold land	350,793,907	15%	298,174,822
Plant and machinery	1,301,088,001	15%	1,105,924,801
Power house	86,393,000	15%	73,434,050

15.8 The management believes that there is no significant change in forced sales value of the revalued operating fixed assets as at the reporting date.

Note 16

Investment Property

	Note	2025	2024
		Rupees	Rupees
At fair value - Investment property	16.1	-	108,150,000
16.1 Carrying value - opening balance		108,150,000	93,730,000
Addition / disposal		-	-
Fair value gain		61,800,000	14,420,000
Classified as held for sale		(169,950,000)	-
Carrying value as at June 30,		<u>-</u>	<u>108,150,000</u>

16.2 This represented office No. 703 as situated on 7th floor of Tricon Corporate Center, Gulberg II, Lahore. This office was held to earn rental income. Particulars of the investment property as at the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
Office No. 703, 7th floor	Tricon	5150 sq. ft.	Hamid Mukhtar	169,950,000	144,458,000

16.3 The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.**16.4 Fair value measurements**

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Building	Physical inspection and checking of measurements with the layout plan of the buildings provided. Construction details, covered areas and quality of construction were noted. Conditions of buildings were noted and accordingly depreciated rate of the construction was calculated which was applied to arrive at the fair depreciated market value.	Price per sq. ft.	Reasonable fair value estimates

16.5 Amount recognised in statement of profit or loss

The change in fair value is presented in statement of profit or loss as "Other income". The rental income in respect of this property amounts to Rs. 7,446,448 (2024: Rs. 14,953,168) that has been recognized in the statement of profit or loss.

Note 17

Investment in Associate

	2025	2024
	Rupees	Rupees
Associates - Unquoted		
Sargodha Jute Mills Limited:		
8,120,000 (2024: 8,120,000) fully paid ordinary shares of Rs. 10 each		
Equity held 24.94% (2024: 24.94%)		
Cost of investment Rs. 65,600,000 (2024: Rs. 65,600,000)		
Carrying amount of investment	1,054,875,759	916,777,204
17.1 Reconciliation of the above information to the carrying amount of interest in Sargodha Jute Mills Limited (The Associate) is as under:		
Net assets of the Associate	4,229,654,199	3,675,931,044
Percentage of shareholding in Associate	24.94%	24.94%
Carrying amount of investment	1,054,875,758	916,777,203

17.2 The Company accounts for its investment in Sargodha Jute Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the audited financial statements of the Associate is as follows:

	2025	2024
	Rupees	Rupees
Current assets	4,202,668,658	3,345,885,717
Non-current assets	1,974,373,842	2,197,137,853
Current liabilities	1,499,740,187	1,412,904,211
Non-current liabilities	447,648,114	454,188,315
Equity	4,229,654,199	3,675,931,044
Total assets	6,177,042,500	5,543,023,570
Revenue	3,380,036,708	5,161,990,347
Net profit for the year	327,756,015	268,590,217
Other comprehensive income	225,967,140	26,744,920
Total comprehensive income for the year	553,723,155	295,335,137

Note 18

Long Term Deposits

	2025	2024
	Rupees	Rupees
Lahore Electric Supply Company	1,597,430	1,597,430
Sui Northern Gas Pipelines Limited	1,928,612	1,928,612
Others	321,406	321,406
	3,847,448	3,847,448

Note 19

Stores and Spares

		2025	2024
	Note	Rupees	Rupees
Stores and spares	19.1	219,573,323	183,932,570

19.1 This includes stores in transit amounting to Rs. 40.210 million (2024: Nil) as at the reporting date.

Note 20

Stock in Trade

		2025	2024
	Note	Rupees	Rupees
Raw materials	20.1	349,701,607	394,298,421
Work in process		157,062,061	127,105,312
Finished goods	20.2	350,822,066	233,903,658
		<u>857,585,734</u>	<u>755,307,391</u>

20.1 Stocks amounting to Rs. 190.97 million (2024: Rs. 260 million), are pledged against short term borrowings obtained by certain banks (Note 12).

20.2 This includes stocks in transit amounting to Rs. 55.496 million (2024: Rs. 19.163 million).

Note 21

Trade Debts

		2025	2024
	Note	Rupees	Rupees
Local debtors:			
- Considered good		127,740,315	202,367,668
- Considered doubtful		2,585,169	4,273,235
		<u>130,325,484</u>	<u>206,640,903</u>
Foreign debtors:			
- Considered good		38,565,304	99,445,387
- Considered doubtful	21.2	25,241,248	25,241,248
		<u>63,806,552</u>	<u>124,686,635</u>
		194,132,036	331,327,538
		<u>(27,826,417)</u>	<u>(29,514,484)</u>
Less: Allowance for expected credit losses (ECL)	21.1	<u>166,305,619</u>	<u>301,813,054</u>
21.1 Allowance for expected credit losses (ECL)			
Opening balance		29,514,484	38,851,214
Add: Charge for the year		-	-
		<u>29,514,484</u>	<u>38,851,214</u>
Less: Bad debts written off / reversal of credit loss allowance		<u>(1,688,067)</u>	<u>(9,336,730)</u>
Closing balance		<u>27,826,417</u>	<u>29,514,484</u>

21.2 Detail of trade receivables from export sales

Jurisdiction	Export Sales During the Year	Gross Receivables at Year End	Default Amount	Names of Defaulting Parties
	Rupees	Rupees	Rupees	
Europe	1,186,538,000	38,565,304	25,241,248	M/S Insane International
United State of America	249,439,000	25,241,248	-	No default
	<u>1,435,977,000</u>	<u>63,806,552</u>	<u>25,241,248</u>	

21.2.1 As of the reporting date, the outstanding balance due from M/s Insane International amounts to Rs. 25.24 million (2024: Rs. 25.24 million). Provision for doubtful receivables was recorded in last year, as Insane International had not settled the outstanding amounts within the agreed terms. No further sales were made to M/s Insane International during the current year.

Note 22

Advances, Deposits, Prepayments and Other Receivables

		2025	2024
	Note	Rupees	Rupees
Advances (Unsecured - considered good):			
- Employees	22.1	7,480,503	4,232,700
- Letter of credit		5,042,704	5,596,689
- Suppliers and others:	22.2		
Considered good		58,835,545	47,600,773
Considered doubtful		12,354,755	12,354,755
		71,190,300	59,955,528
Income tax deducted at source / advance tax		153,722,722	86,950,484
Margins with banks against letters of guarantee and other		50,378,000	45,078,000
Prepayments		3,825,221	2,106,853
Duty draw back on export		3,976,962	11,353,654
Insurance claims receivable		4,260,532	504,194
Profit receivable on short term investments and saving accounts		6,972,113	2,270,519
		306,849,057	218,048,621
Less: Provision for doubtful advances and other receivables		(12,354,755)	(12,354,755)
		294,494,302	205,693,866

22.1 No amount was due from chief executive, directors and executives as at the reporting date (2024: nil).

22.2 Provision for doubtful advances and other receivables

	2025	2024
	Rupees	Rupees
Opening balance	12,354,755	6,932,542
Provision charged during the year	-	5,422,213
Closing balance	12,354,755	12,354,755

Note 23

Short Term Investments

		2025	2024
	Note	Rupees	Rupees
At fair value through profit or loss			
Investment in un-quoted shares		650,000	650,000
Less: Provision for impairment against investment		(650,000)	(650,000)
Investment in mutual funds	23.1	20,294,743	-
At amortized cost			
Investment in term deposit receipts (TDR)	23.2 & 23.3	131,080,313	36,566,313
		151,375,056	36,566,313

23.1 This represents investment in 196,364 units (2024: Nil units) of HBL Cash Fund having cost of Rs. 20.29 million (2024: Nil) out of the provident fund balance (Note 10.2). These funds will be utilised only for settlement of provident fund balance.

23.2 This investment is lien marked by JS Bank Limited and Soneri Bank Limited against guarantees issued by the Company to SNGPL, LESCO and Excise and Taxation Office, Karachi on behalf of the Company. These TDRs yield profit at rates ranging from 6.98% to 13.68% (2024: 14.25% to 20.76%) per annum.

23.3 This also includes TDRs amounting to Rs. 20 million invested against provident fund balance.

Note 24

Tax Refunds Due from the Government

	2025	2024
	Rupees	Rupees
Sales tax	249,128,789	304,628,449
Income tax	52,830,137	52,830,137
	301,958,926	357,458,586

Note 25

Cash and Bank Balances

		2025	2024
	Note	Rupees	Rupees
Cash in hand		1,246,355	704,768
Cash at banks:			
- Local currency current accounts		131,434,390	110,399,313
- Foreign currency current account	25.1	66,786,535	16,714,955
- Local currency savings accounts	25.2	186,765,605	81,331,114
		<u>386,232,885</u>	<u>209,150,150</u>

25.1 This represents foreign currency amounting to USD 235,359 (2024: USD 60,052) as at the reporting date.

25.2 These saving accounts yield profit at rates ranging from 9% to 19% (2024: 9% to 20.5%) per annum, approximately.

25.2.1 It includes an amount of Rs. 107.07 million (2024: Rs. 78.260 million) which relates to the provident fund payable to employees. Although the registration process for the provident fund has been initiated, it has not yet been completed as explained in note 10.2.

25.3 This includes shariah compliant bank deposits in Meezan Bank Limited amounting to Rs. 61.131 million (2024: Rs. 45.652 million).

Note 26

Asset Held For Sale

	2025	2024
	Rupees	Rupees
Investment property	169,950,000	-

26.1 Assets held for sale comprise office No. 703 situated on 7th floor of Tricon Corporate Center, Gulberg II, Lahore. There are no liabilities related to asset classified as held for sale.

Note 27

Sales - Net

		2025	2024
	Note	Rupees	Rupees
Yarn sales			
- Local		11,679,220,047	11,658,398,781
- Export		-	29,281,321
Socks sales			
- Local		329,592	3,345,311
- Export		1,435,977,516	1,075,091,346
Waste sales yarn		42,584,386	59,773,789
Waste sales socks		25,513,477	12,168,586
		<u>13,183,625,018</u>	<u>12,838,059,134</u>
Sales tax		<u>(1,812,608,668)</u>	<u>(1,823,412,651)</u>
		<u>11,371,016,350</u>	<u>11,014,646,483</u>
27.1	All the revenue is recognised at point in time.		
27.2	The Company's revenue based on geographical location is given as under:		
	Pakistan	9,935,039	9,910,273
	Europe	1,186,538	629,397
	United State of America	249,439	474,976
		<u>11,371,016</u>	<u>11,014,646</u>

27.3 Revenue recognized in the current year that was included in the contract liabilities at the beginning of the year amounts to Rs. 166.06 million (2024: Rs. 103.82 million).

27.4 Contract Balances

Trade receivables	21	166,305,619	301,813,054
Contract liabilities	10	(152,139,247)	(84,018,179)
		<u>14,166,372</u>	<u>217,794,875</u>

Note 28

Cost of Sales

		2025	2024
	Note	Rupees	Rupees
Raw materials consumed		7,475,506,477	7,499,966,553
Stores and spares consumed		256,617,558	237,471,473
Packing materials consumed		290,858,390	243,519,798
Salaries, wages and other benefits	28.1	961,498,139	765,003,548
Fuel and power		1,687,031,339	1,658,701,137
Insurance		18,673,230	15,134,186
Repairs and maintenance		9,890,053	11,882,204
Other manufacturing expenses		18,135,130	16,365,368
Depreciation	15.1	104,473,463	108,649,306
		10,822,683,779	10,556,693,573
Opening work in process		127,105,312	109,993,286
Closing work in process		(157,062,061)	(127,105,312)
		(29,956,749)	(17,112,026)
Cost of goods manufactured:		10,792,727,030	10,539,581,547
- Opening finished goods		233,903,658	191,502,597
- Closing finished goods		(350,822,066)	(233,903,658)
		(116,918,408)	(42,401,061)
		10,675,808,622	10,497,180,486

28.1 This includes Rs. 35.29 million (2024: Rs. 31.804 million) in respect of staff retirement benefits.

Note 29

Selling and Distribution Costs

		2025	2024
		Rupees	Rupees
Salaries, wages and other benefits		35,894,559	-
Commission to selling agents		60,432,508	77,180,761
Freight and octroi		48,863,621	48,274,176
Export sale expenses		16,265,883	19,582,859
Travelling and conveyance		13,541,549	-
Discounts and commission		6,460,591	-
Entertainment		635,835	-
		182,094,546	145,037,796

Note 30

Administrative Expenses

		2025	2024
	Note	Rupees	Rupees
Salaries and benefits	30.1	166,107,342	145,820,405
Printing and stationery		1,135,699	1,369,638
IT and communication		11,285,561	9,004,055
Travelling and conveyance		2,564,549	1,981,567
Repairs and maintenance		7,553,386	5,311,464
Vehicles' running and maintenance	30.2	42,348,997	33,984,964
Rent, rates and taxes		14,750,107	11,114,163
Insurance		4,088,950	3,951,941
Legal and professional charges		3,247,481	4,751,264
Socks certifications		2,759,998	7,335,399
Fees and subscription		9,284,666	5,619,192
Utilities		33,815,217	36,119,244
Entertainment		10,460,253	8,731,680
Advertisement		565,750	351,887
Donation	30.3	37,000	30,000
Miscellaneous		632,855	316,137
Depreciation	15.1	11,914,086	10,822,705
		322,551,897	286,615,705

30.1 This includes Rs. 5.277 million (2024: Rs. 5.965 million) in respect of staff retirement benefits.

30.2 This includes Rs. 12.10 million (2024: Rs. 7.70 million) incurred on repairs of Director's vehicles.

30.3 No director or spouse of director of the Company has any interest in donee.

Note 31

Finance Cost

	2025	2024
	Rupees	Rupees
Interest / mark-up on		
- Short term borrowings	91,003,440	154,598,957
- Long term financing	16,242,101	25,946,206
	107,245,541	180,545,163
Bank charges	5,763,869	8,483,319
Commission on bank guarantees	4,592,913	3,508,756
Markup on workers' (profit) participation fund	273,049	-
	117,875,372	192,537,238

Note 32

Other Operating Expenses

		2025	2024
	Note	Rupees	Rupees
Auditors' remuneration	32.1	1,950,000	1,890,000
Provision for workers' (profit) participation fund	10.3	11,214,730	1,241,134
Provision for workers' welfare fund	10.4	5,389,801	462,383
Stores written off		151,536	-
Allowance for advances and other receivables	22.2	-	5,422,213
Exchange loss		-	7,651,707
		18,706,067	16,667,437
32.1 Auditors' remuneration			
- Statutory audit		1,650,000	1,650,000
- Limited scope review and other attestation services		250,000	190,000
- Out of pocket expense		50,000	50,000
		1,950,000	1,890,000

Note 33

Other Income

		2025	2024
	Note	Rupees	Rupees
Profit on sale of raw materials		22,083,283	13,014,306
Gain on disposal of property, plant and equipment - net		13,632,210	1,437,955
Toll manufacturing income		73,899,373	70,418,366
Profit on saving accounts		8,894,799	8,126,813
Profit on term deposit receipts		12,826,595	7,152,293
Reversal of allowance for doubtful debts	21.1	203,686	9,336,730
Fair value gain on investment property		61,800,000	14,420,000
Exchange gain		1,983,220	-
Income from steam		12,740,164	-
Rental income	16.5	7,446,884	14,953,168
		215,510,214	138,859,631

Note 34

Levy and Taxation

		2025	2024
	Note	Rupees	Rupees
Levy / final tax	34.1	71,305,284	134,922,150
Taxation	34.2	121,901,782	46,314,680
		193,207,066	181,236,830

		2025	2024
		Rupees	Rupees
34.1 Levy	Note		
Minimum tax / final tax		70,968,259	134,922,150
Prior period adjustment		337,025	-
		<u>71,305,284</u>	<u>134,922,150</u>
34.2 Taxation			
Current year		67,579,501	-
Super tax		4,768,451	-
For prior years		-	3,177,003
		<u>72,347,952</u>	<u>3,177,003</u>
Deferred tax		49,553,830	43,137,677
		<u>121,901,782</u>	<u>46,314,680</u>
34.3 The current tax expense for the year is calculated using turnover tax @ 1.25% (2024: 1.25%) on local sales and 1% (2024: 1%) on export sales. Therefore, no tax reconciliation has been given.			
34.4 Reconciliation of Levy and Income tax under IAS-12			
Current Tax liability as per applicable tax laws		143,653,236	138,099,153
Portion of current tax liability representing			
- Income tax as per IAS -12	33.2	72,347,952	3,177,003
- Levy as per IFRIC 21 / IAS 37	33.1	71,305,284	134,922,150
Difference		-	-
Note 35			
Earning / (Loss) per Share - Basic and Diluted			
		2025	2024
		Rupees	Rupees
Profit / (loss) for the year attributable to ordinary shareholders	Rupees	<u>158,025,344</u>	<u>(98,782,978)</u>
Weighted average number of ordinary shares outstanding during the year	Number	<u>17,971,372</u>	<u>17,971,372</u>
Earning / (loss) per share - Basic	Rupees	<u>8.79</u>	<u>(5.50)</u>

35.1 Diluted Earnings per Share

There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

Note 36

Cash Generated from Operations

		2025	2024
	Note	Rupees	Rupees
Cash Flows from Operating Activities			
Profit before taxation		351,232,410	82,453,852
Adjustments for:			
- Depreciation	15.1	116,387,549	119,472,011
- Share of net profit of associate	17	(81,742,350)	(66,986,400)
- Gain on disposal of property, plant and equipment - net	33	(13,632,210)	(1,437,955)
- Provision for staff retirement benefits - gratuity		-	8,346,980
- Profit on saving account and term deposit receipts	33	(8,894,799)	(15,279,106)
- Exchange (gain) / loss	32 & 33	(1,983,220)	7,651,707
- Reversal of allowance for doubtful debts	33	(203,686)	(9,336,730)
- Stores written off	32	151,536	-
- Provision for doubtful advances and other receivables	15.1.2	-	5,422,213
- Provision for workers' (profit) participation fund	32	11,214,730	1,241,134
- Provision for workers' welfare fund	32	5,389,801	462,383
- Interest on workers' (profit) participation fund	31	273,049	-
- Fair value gain on investment property	33	(61,800,000)	(14,420,000)
- Finance cost	31	107,245,541	180,545,163
		72,405,941	215,681,400
Operating profit before working capital changes		423,638,351	298,135,252
Decrease / (increase) in current assets:			
- Stores and spares		(35,792,289)	(8,486,949)
- Stock in trade		(102,278,343)	(66,680,581)
- Trade debts		137,694,341	(64,886,336)
- Advances, deposits, prepayments and other receivables		(17,326,604)	(49,588,230)
- Tax refunds due from the Government - sales tax		55,499,660	(38,121,391)
Increase in current liabilities:			
- Trade and other payables		200,591,695	131,595,670
		238,388,460	(96,167,817)
Cash Generated from Operations		662,026,811	201,967,435

Note 37

Reconciliation of Liabilities arising from Financing Activities

	As at July 01, 2024	Non-cash changes	Cash flows - net	As at June 30, 2025
	Rupees	Rupees	Rupees	Rupees
Long term financing	298,517,843	-	(77,080,376)	221,437,467
Short term borrowings	809,338,431	-	62,180,237	871,518,668
Total liabilities from financing activities	1,107,856,274	-	(14,900,139)	1,092,956,135
	As at July 01, 2023	Non-cash changes	Cash flows - net	As at June 30, 2024
	Rupees	Rupees	Rupees	Rupees
Long term financing	373,921,500	-	(75,403,657)	298,517,843
Short term borrowings	387,470,715	-	421,867,716	809,338,431
Total liabilities from financing activities	761,392,215	-	346,464,059	1,107,856,274

Note 38

Balances and Transactions with Related Parties

Related parties comprise associated company, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2025	2024
				Rupees	Rupees
Sargodha Jute Mills	Associate	24.94%	Purchase of materials, goods and services from Associate	793,550	1,121,538
			Amount paid	793,550	1,241,997
			Sales of materials, goods and services from Associate	2,646,259	735,818
			Amount received	12,740,164	-
				15,446,876	921,881
			Share of associate	81,742,350	66,986,400
Directors		69.05%	Loan received during the year	-	321,000,000
			Interest paid during the year	-	22,134,689
			Gratuity paid during the year	-	24,211,539
Key Management Personnel			Gratuity paid during the year	-	5,846,808
Balances receivable as at June 30,					
Sargodha Jute Mills Limited (note 17, 21 & 22)		24.94%	Long term investment - Carrying value	1,054,875,759	916,777,204
			Contract liabilities	60,453	-
Director			Loan outstanding	321,000,000	321,000,000
			Markup payable	123,505	123,505

38.1 There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 39.

38.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Following are the details of the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Related Party	Basis of Relationship	% of Shareholding
1	Sargodha Jute Mills Limited	Associate	24.94%
2	Mian Imran Aslam	Director	24.96%
3	Mian Parvez Aslam	Director	19.24%
4	Irfan Aslam	Director	24.85%
5	Danish Aslam	Director	0.01%
6	Nazish Imran	Director	1.67%
7	Syed Raza Ali Bokhari	Director	0.00%
8	Ali Raza Khan	Director	0.00%
9	Syed Imran Haider	Key management personnel	0.00%
10	Abdul Majeed	Key management personnel	0.00%

Note 39

Chief Executive Officer's, Directors' and Executives' Remuneration

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2025			2024		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	13,090,909	3,000,000	52,584,894	13,090,909	3,818,182	41,017,213
Medical	1,309,091	300,000	5,258,489	1,309,091	381,818	4,101,722
Utilities	4,410,934	14,087,637	-	9,558,872	-	-
Provident fund	792,000	181,500	3,181,385	792,000	231,000	2,481,541
	19,602,934	17,569,137	61,024,768	24,750,872	4,431,000	47,600,476
Number of persons	1	1	25	1	1	19

39.1 The Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained exceeds Rs. 1.2 million in a financial year.

39.2 An Executive is defined as an employee, other than the Chief Executive Officer and Directors, whose basic salary vehicles in accordance with the Company's policy.

Note 40

Segment Information

For management purposes, the activities of the Company are recognized into two operating segments, i.e. sales of yarn and sock. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments of yarn and socks. Entity-wide disclosures regarding reportable segments are as follows:

	Yarn	Socks	Total
	Rupees in Thousand		
40.1 Segment Results for the period ended June 30, 2025			
Revenue	9,909,195	1,461,821	11,371,016
Operating profit	184,438	6,123	190,561
Finance cost	(102,716)	(15,159)	(117,875)
Other income	8,084	100,638	108,722
Other operating expense			(18,706)
Other income			106,788
Share of net profit from associate			81,742
Profit before taxation			351,232
Segment Results for the period ended June 30, 2024			
Revenue	9,924,041	1,090,605	11,014,646
Operating profit	78,885	6,927	85,812
Finance cost	(178,256)	(14,281)	(192,537)
Other income	13,014	70,418	83,432
Other operating expense			(16,667)
Other income			55,428
Share of net profit from associate			66,986
Profit before taxation			82,454

40.2 Segment financial position for the year ended June 30,

Assets

Property, plant and equipment
Store and spares
Stock in trade
Trade debts
Advances to suppliers

Yarn	Socks	Total
Rupees in Thousand		
1,452,477	1,269,009	2,721,486
157,844	61,729	219,573
554,450	303,136	857,586
83,080	83,226	166,306
47,422	23,768	71,190
2,295,273	1,740,868	4,036,141

Unallocated Assets

Asset held for sale
Long term investments
Long term deposits
Advances, deposits, prepayments and other receivables
Short term investments
Tax refunds due from the Government
Cash and bank balances

Total assets**Liabilities**

Long term financing
Trade creditors
Short term borrowings
Accrued mark up

		169,950
		1,054,876
		3,847
		223,304
		151,375
		301,959
		386,233
		6,327,685
29,741	191,696	221,437
173,428	40,962	214,390
871,518	-	871,518
7,995	10,320	18,315
1,082,682	242,978	1,325,660

Unallocated liabilities

Deferred tax liability - net
Gas infrastructure development cess
Other payables
Unclaimed dividends
Unpaid dividends
Provision for taxation - net

Segment financial position for the year ended June 30, 2024

Assets

Property, plant and equipment
Store and spares
Stock in trade
Trade debts
Advances to suppliers

1,742,841	1,048,400	2,791,241
126,935	56,998	183,933
533,602	221,705	755,307
166,979	134,834	301,813
51,563	8,393	59,956
2,621,920	1,470,330	4,092,250

Unallocated Assets

Investment property
Long term investments
Long term deposits
Advances, deposits, prepayments and other receivables
Short term investments
Tax refunds due from the Government
Cash and bank balances

Total assets**Liabilities**

Long term financing
Trade creditors
Short term borrowings
Accrued mark up

		108,150
		916,777
		3,847
		145,738
		36,566
		357,458
		209,150
		5,869,937
43,773	254,744	298,517
73,357	83,435	156,792
809,337	-	809,337
21,512	13,492	35,004
947,979	351,671	1,299,650

Note 40, Segment Information, continued.....

	Total
	Rupees in Thousand
Unallocated liabilities	
Deferred tax liability - net	440,547
Gas infrastructure development cess	106,270
Other payables	561,576
Unclaimed dividends	146
Unpaid dividends	199
Provision for taxation - net	134,922
	2,543,310

40.3 Information about products:

	2025	2024
	Percentage	Percentage
Yarn	87.14%	90.10%
Socks	12.86%	9.90%

40.4 Major customers:

There is no individual customer to whom sales are more than 10% of total revenue (2024: Nil).

40.5 Geographical Information:

The Company's revenue from external customers and geographical location is given as under:

	2025	2024
	Rupees in	Thousand
Pakistan	9,935,039	9,910,273
Europe	1,186,538	629,397
United State of America	249,439	474,976
	11,371,016	11,014,646

40.6 All non-current assets of the Company are located and operated in Pakistan as at the reporting date.

Note 41

Plant Capacity and Production

		2025	2024
Yarn			
Plant capacity converted into 20/S count	Kilograms	41,732,689	41,732,689
Actual production converted into 20/S count	Kilograms	35,447,433	36,046,746
Socks			
Plant capacity dozen pairs	Dozen pairs	2,398,387	2,398,387
Actual production dozen pairs	Dozen pairs	1,443,077	1,213,029

41.1 The underutilization of optimal production capacity is primarily attributed to lower demand.

Note 42

Financial Risk Management**42.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to foreign currency risk on foreign trade debts, foreign currency bank accounts and outstanding letters of credit that are denominated primarily in Swiss Franc (CHF), U.S Dollars (USD), Euro and Japanese Yen. As at the reporting date, the Company's exposure to currency risk was as follows:

2025					
	Rupees	CHF	USD	Euro	JPY
On balance sheet:					
Foreign debtors	63,806,552	-	224,861	-	-
Foreign currency bank balances	66,786,535	-	235,359	-	-
	130,593,087	-	460,220	-	-
Off balance sheet:					
Outstanding commitments against letters of credit	154,668,470	(40,182)	(481,930)	(5,662)	(850,132)
	285,261,557	(40,182)	(21,710)	(5,662)	(850,132)
2024					
	Rupees	CHF	USD	Euro	JPY
On balance sheet:					
Foreign debtors	124,686,635	-	459,216	14,016	-
Foreign currency bank balances	16,714,955	-	60,052	-	-
	141,401,590	-	519,268	14,016	-
Off balance sheet:					
Outstanding commitments against letters of credit	116,987,470	(29,680)	(351,243)	(10,172)	(3,606,700)
	258,389,060	(29,680)	168,025	3,844	(3,606,700)

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.05	282.17	283.76	278.34
Euro to PKR	315.17	305.25	332.66	297.68
JPY to PKR	1.85	1.86	1.97	1.72
CHF to PKR	332.37	314.58	355.33	309.4

Sensitivity analysis

As at the reporting date, if the PKR had strengthened or weakness by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below, mainly as a result of net foreign exchange loss on translation of foreign debtors and foreign currency bank account.

	2025	2024
	Rupees	Rupees
Effect on statement of profit or loss		
US Dollar	(61,604)	467,681
Euro	(18,835)	11,443
JPY	(16,748)	(62,035)
CHF	(142,779)	(91,830)
	(97,187)	417,089

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on loss before tax.

(ii) Price risk

Price risk represents 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 interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to price risk in respect of certain investments amounting to Rs. 20.294 million (2024: Rs. Nil).

Sensitive Analysis for price risk

A change of 1% in the value of investment at fair value through profit or loss would have increase / decrease profit or loss by Rs. 0.203 million (2024: Nil) on the basis that other variables remain constant.

(iii) Interest rate risk

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

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	2025	2024
	Rupees in thousand	
Fixed rate instruments - Financial liabilities		
Long term financing	191,696	254,744
Floating rate instruments - Financial liabilities		
Long term financing	29,741	43,774
Short term borrowings	550,519	809,338
Fixed rate instruments - Financial assets		
Short term investment	131,080	36,566
Floating rate instruments - Financial assets		
Bank balances in saving's account	186,766	81,331

Sensitivity analysis for fixed rate instruments

The Company has certain financial liabilities and financial assets at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to 1% change in interest rates, with all other variables held constant, of the Company's profit or loss. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the entire year.

Effect on statement of profit or loss

	3,935	7,718
--	-------	-------

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long term investment	17	1,054,876	916,777
Trade debts	21	166,306	301,813
Short term investments	23	151,375	36,566
Other receivables	22	15,210	47,853
Bank balances	25	384,987	208,445
		1,772,754	1,511,454
The aging of trade debts as at the reporting date is as follows:			
Past due 1 - 30 days		148,248	291,189
Past due 31 - 60 days		14,316	1,734
Past due 61 - 90 days		3,401	663
More than 91 days		28,167	37,904
		194,132	331,490
Allowance for expected credit loss		(27,826)	(29,677)
		166,306	301,813

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2025	2024
	Short term	Long term			
Rupees in thousand					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	35,121	33,092
MCB Bank Limited	A1+	AAA	PACRA	35,825	85,724
Habib Bank Limited	A-1+	AAA	JCR-VIS	1,877	6,635
Allied Bank Limited	A1+	AAA	PACRA	3,745	8,445
Meezan Bank Limited	A-1+	AAA	JCR-VIS	61,132	45,653
National Bank of Pakistan	A1+	AAA	PACRA	736	736
United Bank Limited	A-1+	AAA	JCR-VIS	112	112
Bank Alfalah Limited	A1+	AAA	PACRA	6,358	3,956
Faysal Bank Limited	A1+	AA	PACRA	1,732	3,071
Soneri Bank Limited	A-1+	AA-	PACRA	158,317	-
JS Bank Limited	A1+	AA	PACRA	80,031	21,021
				384,986	208,445

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company has Rs. 1,278.418 million (2024: Rs. 1,557.792 million) worth unavailed limits (both funded and unfunded) from financial institutions and Rs. 386.232 million (2024: Rs. 209.150 million) cash and bank balances. Following are the contractual maturities of financial liabilities:

Contractual maturities of financial liabilities as at June 30, 2025:

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
----- Rupees in thousand -----						
Long term financing	221,437	254,045	88,677	84,316	81,052	-
Trade and other payables	621,625	621,625	621,625	-	-	-
Accrued interest	18,315	18,315	18,315	-	-	-
Short term borrowings	871,519	871,519	871,519	-	-	-
	<u>1,732,896</u>	<u>1,765,504</u>	<u>1,600,136</u>	<u>84,316</u>	<u>81,052</u>	<u>-</u>

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
----- Rupees in thousand -----						
Long term financing	298,518	334,312	94,042	88,676	151,594	-
Trade and other payables	342,055	342,055	342,055	-	-	-
Accrued interest	35,004	35,004	35,004	-	-	-
Short term borrowings	809,338	809,338	809,338	-	-	-
	<u>1,484,915</u>	<u>1,520,709</u>	<u>1,280,439</u>	<u>88,676</u>	<u>151,594</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

	Total	Level 1	Level 2	Level 3
	---- Rupees in Thousands ----			
Short term investment - 2025	20,295	20,295	-	-
Short term investment - 2024	-	-	-	-

42.2 Financial instruments by categories

Fair value through profit or loss	At amortized cost	Fair value through other comprehensive income	Total
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---- Rupees in Thousands ----

Financial assets as at June 30, 2025

Long term investment	-	1,054,876	-	1,054,876
Short term investments	20,295	131,080	-	151,375
Trade debts	-	166,306	-	166,306
Other receivable	-	15,210	-	15,210
Cash and bank balances	-	386,233	-	386,233
	20,295	1,753,705	-	1,774,000

Financial assets as at June 30, 2024

Long term investment	-	916,777	-	916,777
Short term investments	-	36,566	-	36,566
Trade debts	-	301,813	-	301,813
Other receivable	-	47,853	-	47,853
Cash and bank balances	-	209,150	-	209,150
	-	1,512,159	-	1,512,159

Financial liabilities at amortized cost

	2025	2024
	---- Rupees in Thousands ----	
Long term financing	221,437	298,518
Trade and other payables	621,625	342,055
Accrued mark-up	18,315	35,004
Short term borrowings	871,519	809,338
	1,732,896	1,484,915

42.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 43

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

		2025	2024
As at the reporting date, the gearing ratio of the Company was as under:	Note	Rupees in thousand	
Total borrowings	8 & 12	1,092,956	1,107,856
Cash and bank balances	25	(386,233)	(209,150)
Net Debt		706,723	898,706
Equity		3,532,556	3,326,628
Total capital employed		4,239,279	4,225,334
Gearing Ratio		16.67%	21.27%

Note 44

Shariah Screening Disclosures

		2025	2024
	Note	Rupees	Rupees
Financing (long term and short term) obtained as per Islamic mode	8.3 & 12.3	146,110,204	171,351,811
Shariah compliant bank deposits / bank balances	25.3	61,131,622	45,652,521
Long-term and short term shariah compliant investments		-	-
Revenue earned from a shariah compliant business segment	27	11,371,016,350	11,014,646,483
Shariah compliant exchange gain earned		-	-
Mark up paid on Islamic mode of financing	44.1	40,613,259	40,433,508
Profit earned from shariah compliant bank deposits/bank balances		-	-
Profits earned on any conventional loan or advance	32	8,894,799	15,279,106
Exchange gain / (loss) earned from actual currency		1,983,220	(7,651,707)
Interest paid on any conventional loan or advance		83,320,919	140,111,655
Relationship with shariah compliant financial institute:			
- Long Term Financing - Diminishing Musharaka and Short Term	8.3 & 12.3	Meezan Bank	Meezan Bank
Financing - Musawamah & Istisna		Limited	Limited
- Cash and Bank Balances - deposits with banks	25.3		

44.1 This pertains to the markup paid to Meezan Bank Limited on finances under markup arrangements - secured utilised.

Note 45

Number of Employees

	2025	2024
	Number	Number
Total number of employees as at June 30,	1698	1709
Average number of employees during the year	1704	1854

Note 46

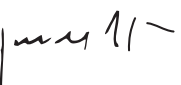
Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on _____.

Note 47

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements / reclassifications have been made in these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

FORM 20

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2025
CUIN (INCORPORATION NUMBER) 0006512

No. of Shareholders	From -	Share Holding To	Total Share Held
479	1	100	11,625
228	101	500	53,398
32	501	1,000	22,909
33	1,001	5,000	66,176
2	5,001	10,000	14,240
1	10,001	15,000	12,580
1	15,001	20,000	15,061
1	20,001	25,000	21,090
2	35,001	40,000	76,303
1	105,001	110,000	106,684
2	125,001	130,000	253,460
1	250,001	255,000	253,461
2	295,001	300,000	600,000
2	495,001	500,000	1,000,000
1	615,001	620,000	618,005
1	620,001	625,000	624,826
1	700,001	705,000	704,723
1	1,105,001	1,110,000	1,105,907
1	3,455,001	3,460,000	3,458,182
1	4,465,001	4,470,000	4,466,371
1	4,485,001	4,490,000	4,486,371
794	Total		17,971,372

Categories of Shareholders	Share Held	Percentage
5.1 Directors, Chief Executive Officer, and their spouse and minor children	14,118,981	78.56
5.2 Associated Companies, undertakings and related parties	1,021,090	5.68
5.3 NIT and ICP	9,310	0.05
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions,	2,200	0.01
5.5 Insurance Companies	600	0.00
5.6 Modarabas and Mutual Funds	122	0.00
5.7 Share Holding 10 % or more	12,410,924	69.05
5.8 General Public		
a. Local	2,813,031	15.65
b. Foreign	-	-
5.9 Others (Securities & Joint Stock Companies)	6,038	0.03

شیر ہولڈنگ کی ساخت

تیس جون 2025 کی تاریخ تک، کمپنی کی شیر ہولڈنگ کی ساخت مطابقتی ضوابط کے مطابق اس رپورٹ کے ضمنی حصے (ہنکس) میں فراہم کی گئی ہے۔

بعد از واقعات بورڈ کی تصدیق ہے کہ مالی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان کوئی مادی تبدیلی یا وعدہ نہیں ہوا ہے جو کمپنی کی مالی حیثیت یا کارکردگی پر نمایاں اثر ڈالے۔

کمپنی معاشی اور آپریشنل رجحانات پر نگرانی جاری رکھے گی تاکہ استحکام اور اسٹیک ہولڈرز کے مفادات کا تحفظ ممکن ہو۔

اظہار تشکر

بورڈ آف ڈائریکٹرز تمام ملازمین، صارفین اور شیر ہولڈرز کا دلی شکریہ ادا کرتا ہے جنہوں نے اعتماد اور تعاون کا اظہار کیا۔ بورڈ انتظامیہ اور عملے کی پیشہ ورانہ مہارت اور ٹیم ورک کو بھی سراہتا ہے جنہوں نے آپریشنل بہتری اور کمپنی کی باکیٹ میں مضبوط حیثیت کا باعث بنی۔ ملازمین کی شہرہ کو شش، شیر ہولڈرز کا اعتماد، اور صارفین کی وفاداری کے ساتھ، شاہد ٹیکسٹائل ملٹیٹیڈ مستقبل میں مستحکم نمو اور طویل المدت کامیابی کے لیے مستحکم پوزیشن میں ہے۔

برائے اور بحکم بورڈ

—
ڈائریکٹر

—
چیف ایگزیکٹو آفیسر

لاہور: بتاریخ 06 اکتوبر 2025

انتظامی ڈائریکٹرز کی تنخواہیں انسانی وسائل و معاوضے کی کمیٹی تجویز کرتی ہے، جو بورڈ کو سفارشات پیش کرتی ہے اور بورڈ مناسب غور و خوض کے بعد ان کو حتمی شکل دیتا ہے۔

وہی نقطہ نظر غیر انتظامی اور آزاد ڈائریکٹرز کے لیے بھی اختیار کیا جاتا ہے، تاکہ تمام معاوضے شفاف، منصفانہ و مستقل ہوں۔ ڈائریکٹرز کی تنخواہ اور مراعات سے متعلق مکمل تفصیلات مالی بیانات کے نوٹ میں فراہم کی گئی ہیں۔

پائیداری اور تنوع، مساوات و شمولیت میں بورڈ کا کردار

شہزاد ٹیکسٹائل ملز لمیٹڈ تنوع، مساوات اور شمولیت کو اپنی کاروباری حکمت عملی اور اخلاقی نظریے کا لازمی حصہ سمجھتی ہے۔ کمپنی اس بات کو تسلیم کرتی ہے کہ تنوع جدت، بہتر فیصلہ سازی اور طویل المدت مسابقت میں معاون ہے۔

حکمت عملی تیار کی جا رہی ہے جو تمام تنظیمی سطحوں پر صنفی اور نسلی تنوع کو فروغ دے، قابل پیمائش اہداف اور شفاف رپورٹنگ کے ذرائع ایک منظم کے ساتھ۔ خصوصاً، ہم جنسیت کی تنوع کو ایک اسٹریٹجک فائدہ سمجھتے ہیں جو تخلیقی صلاحیت اور کاروباری کارکردگی کو بڑھاتا ہے۔

ٹیلنٹ کے انتخاب، ترقی اور ملازمین کی شرکت کی پالیسیاں ڈی ای & آئی اصولوں کے مطابق ترتیب دی گئی ہیں تاکہ ہر فرد کو برابر مواقع فراہم کیے جائیں۔ کمپنی نے آئندہ تین سالوں میں عورتوں کی شرکت کو 2% تک بڑھانے کا ہدف مقرر کیا ہے، جو شمولیتی ترقی اور منصفانہ نمائندگی کے عزم کی علامت ہے۔

صنف، نسل اور تنوع

شہزاد ٹیکسٹائل ملز لمیٹڈ ایک شمولیتی اور متنوع ثقافت قائم کرنے کی پابند ہے، تاکہ ہر فرد کو ترقی کرنے کا موقع میسر ہو۔ گزشتہ سال میں کمپنی نے تنظیمی سطح پر صنفی تنوع کو بہتر بنانے میں ٹھوس پیش رفت کی ہے۔

ہم تسلیم کرتے ہیں کہ تنوع جدت، تخلیقی صلاحیت اور مسابقت کے لیے اہم ہے، اور ہم مسلسل اس پر کام جاری رکھیں گے کہ ہمارا کام کرنے کا ماحول جنس، نسل یا پس منظر سے بالا ہو کر سب کے لیے یکساں مواقع فراہم کرے۔

آڈیٹرز کی تقرری

قانونی آڈیٹرز، مسٹرز کو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے مالی سال جو 30 جون 2025 کو ختم ہوا، اس کا آڈٹ مکمل کر لیا ہے اور ایک بلا اعتراض آڈٹ رپورٹ جاری کی ہے۔

یہ آڈیٹرز موجودہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں اور چونکہ یہ دوبارہ تقرری کے اہل ہیں، لہذا انہوں نے مالی سال جو 30 جون 2026 کو ختم ہو گا، کے لیے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کی تائید کی ہے، ساتھ ہی ان کے معاوضے میں روپے 350,000 کے اضافے کی منظوری بھی دی گئی ہے۔

یہ سفارش آئندہ ہونے والی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے پیش کی جائے گی۔

انتظامی ملازمین کی تعریف

رپورٹنگ مقاصد کے لیے، "انتظامی" سے مراد وہ ملازم ہے — سی ای او اور ڈائریکٹرز کو چھوڑ کر — جس کی سالانہ بنیادی تنخواہ مالی سال کے دوران 1.2 ملین روپے سے زائد ہو۔

اس درجہ بندی کا مقصد شفاف رپورٹنگ اور متعلقہ ضوابط کی تعمیل کو یقینی بنانا ہے۔

آڈٹ کمیٹی

بورڈ نے آڈٹ کمیٹی قائم کی ہے جس کے اراکین ذیل میں ہیں

سید رضا علی بخاری - آزاد ڈائریکٹر، چیئرمین

میاں پرویز اسلم - غیر انتظامی ڈائریکٹر

جناب عرفان اسلم - غیر انتظامی ڈائریکٹر

مدت کار کے دوران، آڈٹ کمیٹی کی 6 میٹنگز ہوئیں اور شرکت کی شرح یہ رہی

میٹنگز میں شرکت کی تعداد رکن

سید رضا علی بخاری 6

میاں پرویز اسلم 6

عرفان اسلم 6

انسانی وسائل اور معاوضے کی کمیٹی

کوڈ آف کارپوریٹ کے مطابق، بورڈ نے انسانی وسائل اور معاوضے کی کمیٹی بنائی ہے، جس کے اراکین درج ذیل ہیں

ڈاکٹر علی رضا خان آزاد ڈائریکٹر، چیئرمین

دانش اسلم - انتظامی ڈائریکٹر

محترمہ نازش عمران - غیر انتظامی ڈائریکٹر

مدت کار کے دوران ان کی شرکت حسب ذیل رہی

میٹنگز میں شرکت کی تعداد رکن

ڈاکٹر علی رضا خان 2

دانش اسلم 2

محترمہ نازش عمران 2

کارپوریٹ گورننس

بورڈ نے وہ تمام اقدامات کیے ہیں جن کا تقاضا لیسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کرتی ہیں، اور تعمیل کی اسٹیٹمنٹ

اس رپورٹ کے ساتھ منسلک ہے۔ البتہ، کمپنیز ایکٹ، 2017 کے تحت تعمیل کی اسٹیٹمنٹ ابھی تک نوٹیفائی نہیں کی گئی ہے۔

بورڈ اور کمیٹیوں کی کارکردگی کا جائزہ

کوڈ آف کارپوریٹ گورننس (2019) کی تعمیل کرتے ہوئے، بورڈ نے ڈائریکٹرز اور ان کی کمیٹیوں کی کارکردگی جانچنے کے لئے ایک منظم طریقہ

کار اپنایا ہے۔ جائزہ نگاری مکمل سوالنامے کی شکل میں ہوتی ہے اور درج ذیل اہم پہلوؤں پر توجہ دیتی ہے

کارپوریٹ اہداف اور مقصد کو کمپنی کے وژن و مشن کے ساتھ ہم آہنگ کرنا

مستحکم آپریشنز کے لیے حکمت عملی ترتیب دینا

تنظیمی کارکردگی کی پیمائش اور نگرانی

بورڈ کمیٹیوں کی ذمہ داریوں کی ادائیگی کا تجزیہ

ڈائریکٹرز کی تنخواہ و مراعات

کمپنی کے پاس ایک منظور شدہ معاوضے کی پالیسی ہے جو ڈائریکٹرز کی ادائیگی کو منظم کرتی ہے۔

زندگی اور کام کا توازن

کمپنی اپنے ملازمین کے لیے صحت مند زندگی و کام کے توازن کی حوصلہ افزائی کرتی ہے۔ عمومی کام کے اوقات صبح 9:00 بجے سے شام 5:30 بجے تک ہیں، تاکہ ملازمین کو کام کے علاوہ گھریلو اور تفریحی وقت کے لیے مناسب مواقع ملیں۔

تجارتی اخلاقیات

انتظامیہ اپنے تمام تجارتی اقدامات کو اعلیٰ معیارات، شفافیت اور متعلقہ قوانین و ضوابط کی پابندی کے تحت انجام دینے کی پختہ کوشش کرتی ہے۔ ایک باقاعدہ ضابطہ اخلاق بورڈ آف ڈائریکٹرز کی منظوری سے ترتیب دیا گیا ہے جو تنظیم میں متوقع اخلاقی اور پیشہ ورانہ رویے کی رہنمائی کرتا ہے۔

قومی خزانے میں شراکت

معاشی ترقی اور قومی مفاد کے عزم کے تحت، کمپنی نے مالی سال 2024-25 کے دوران حکومت کو کل 629.895 ملین روپے کی ادائیگیاں کیں، جن میں انکم ٹیکس، سیلز ٹیکس، درآمدی ڈیوٹیاں، محصولات اور دیگر قانونی ادائیگیاں شامل ہیں۔

توانائی کی چھت

اپنے استحکامی مقاصد کے مطابق، کمپنی توانائی کی چھت اور قابل تجدید ذرائع کے استعمال پر توجہ مرکوز کرتی ہے۔ شمسی توانائی کا نظام نصب کرنا اور توانائی مؤثر ٹیکنالوجیز کا اپنانا، توانائی کی کھپت اور آپریٹنگ اخراجات کو کم کرنے کے لیے اجزا ہیں۔ ملازمین کو باقاعدگی سے شعور بیداری پروگراموں میں شرکت کرنے اور روزمرہ کاموں میں توانائی بچانے کی عملی عادات اپنانے کی ترغیب دی جاتی ہے۔

بورڈ کا تشکیلی ڈھانچہ

بورڈ آف ڈائریکٹرز کی تشکیل، فہرست شہد کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کی شرائط کے مطابق ہے۔ کل ڈائریکٹرز

خواتین: 1

مرد: 6

ترتیب

انتظامی ڈائریکٹرز: 2

غیر انتظامی ڈائریکٹرز: 3

آزاد ڈائریکٹرز: 2

ڈائریکٹرز اور بورڈ میٹنگز

مدت کار (1 جولائی 2024 تا 30 جون 2025) کے دوران بورڈ کی 8 میٹنگز ہوئیں۔ ذیل میں ڈائریکٹرز کے نام اور میٹنگ میں شمولیت کی تعداد ہے

نام	میٹنگز میں شرکت کی تعداد
میاں پرویز اسلم	8
جناب عمران اسلم	8
جناب عرفان اسلم	8
جناب دانش اسلم	8
سید رضا علی بخاری	8
ڈاکٹر علی رضا خان	8
محترمہ نازش عمران	8

سی۔ کریڈٹ رسک (ادائیگی کا خطرہ)

کریڈٹ رسک اس ممکنہ اکاؤنٹنگ نقصان کو ظاہر کرتا ہے جو اس صورت میں پیش آ سکتا ہے جب فریقین اپنی معاہداتی ذمہ داریاں پوری نہ کریں۔ اس خطرے سے بچاؤ کے لیے کمپنی نے ایک منظم کریڈٹ منظوری کا طریقہ کار قائم کیا ہے جس کے تحت صارفین کو کریڈٹ مس دی جاتی ہیں۔ مزید برآں، انتظامیہ صارفین کی واجبات پر مسلسل نظر رکھتی ہے اور وہ رقوم جن کی وصولی مشکوک ہو، ان کے خلاف مناسب پروویژن قائم رکھتی ہے، تاکہ محتاط رسک مینجمنٹ کو یقینی بنایا جاسکے۔

ڈی۔ سود کی شرح کا خطرہ

سود کی شرح کا خطرہ اس ممکنہ اثر کی نمائندگی کرتا ہے جو مالیاتی آلات کی منصفانہ قیمت یا مستقبل کے کیش فلو پر ہائیڈرولک میں سود کی شرح میں اتار چڑھاؤ کے باعث پڑ سکتا ہے۔ کمپنی کو اس خطرے کا سامنا بنیادی طور پر اپنی قلیل مدتی اور طویل مدتی بینک قرضہ جات، مدت کے ڈپازٹس، سیونگ اور منافع و نقصان کے بینک اکاؤنٹس، اور میوچل فنڈز میں کی گئی سرمایہ کاری کی وجہ سے ہوتا ہے۔

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں تبدیلیاں

مالی سال کے دوران کمپنی کے بنیادی آپریشنز کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔ شہزاد ٹیکسٹائل ملز لمیٹڈ نے ٹیکسٹائل یارن ماسکس اور موزوں کی تیاری میں اپنی سرگرمیاں جاری رکھیں، اور پورے عرصہ کے دوران اپنی قائم شدہ کاروباری لائسنسز عملی دائرہ کار کو برقرار رکھا۔

وہ اہم رجحانات اور عوامل جو مستقبل میں کمپنی کے کاروبار کی ترقی، کارکردگی، اور پوزیشن کو متاثر کر سکتے ہیں

بورڈ کی رپورٹ

بورڈ یہ بتاتے ہوئے خوشی محسوس کرتا ہے کہ کمپنی نے سال کے دوران مشکل معاشی حالات کے باوجود اطمینان بخش مالی نتائج حاصل کیے۔ تاہم موجودہ حالات — جن میں کرنسی کی قدر میں کمی، مسلسل مہنگائی کا دباؤ، اور پیداواری لاگت میں اضافہ شامل ہیں — کاروباری کارکردگی اور صنعت کی مسابقت کے لیے نمایاں خطرات پیدا کر رہے ہیں۔

پائیدار ترقی کو یقینی بنانے کے لیے ضروری ہے کہ پالیسی ساز سیاسی استحکام کو مضبوط بنانے، زرمبادلہ کی شرح کو مستحکم رکھنے، اور مالی و جاری کھاتوں کے خسارے کو کم کرنے پر توجہ دیں۔ ایسے اقدامات صنعتی ترقی اور مجموعی معاشی بہتری کے لیے سڈ گار ماحول پیدا کریں گے۔ بورڈ مزید صحت، سلامتی اور ماحول

شہزاد ٹیکسٹائل ملز لمیٹڈ میں، ہمارے ملازمین کی صحت، حفاظت اور فلاح و بہبود ہماری اولین ترجیح ہے۔ ہم ایک محفوظ، پائیدار اور ماحول دوست کام کی جگہ فراہم کرنے کے لیے پرعزم ہیں جہاں ملازمین اعتماد سے کام کر سکیں۔

کمپنی سماجی تحفظ اور ملازمین کے بڑے گروں کے فوائد کے ادارے ای او بی آئی کے ساتھ رجسٹرڈ ہے اور باقاعدگی سے شراکت داری کرتی ہے تاکہ اپنے عملے کو صحت کی دیکھ بھال اور ریٹائرمنٹ فوائد فراہم کرے

ملازمین کی حفاظت اور ماحولیاتی استحکام کو مضبوط کرنے کے لیے ہم نے درج ذیل اقدامات کیے ہیں۔

فائر ایف سسٹم: آگ کے خطرے کی صورت میں فوری الرٹس فراہم کرنے کے لیے نصب

فرسٹ ایڈ: عمارت کے مختلف مقامات پر فرسٹ ایڈ باکسز، تاکہ بالکل زخمیوں کو فوراً ابتدائی امداد دی جاسکے

فائر ہائیڈرنٹ سسٹم: مناسب مقام پر نصب اور باقاعدگی سے دیکھ بھال کے ساتھ عملی حالت میں رکھنے کے لیے

فلوئٹ ٹرینٹ پلانٹ: صنعتی فضلہ کی محفوظ اور ذمہ دارانہ نمائش کو یقینی بنانے کے لیے

ویسٹ ہیٹ بوائلر: زائد حرارت کا استعمال کر کے توانائی کی بچت کو فروغ دینا اور کام کی جگہ کو محفوظ بنانا

فلٹر کنٹرول اور ری فلٹرنگ سسٹم: آگ کے پھیلاؤ کو روکنے، ماحولیاتی نظام کے تحفظ اور پائیداری کو فروغ دینے کے لیے

ڈی۔ سود کی شرح کا خطرہ

سود کی شرح کا خطرہ اس ممکنہ اثر کی نمائندگی کرتا ہے جو مالیاتی آلات کی منصفانہ قیمت یا مستقبل کے کیش فلو پر ماحیث میں سود کی شرح میں اتار چڑھاؤ کے باعث پڑ سکتا ہے۔ کمپنی کو اس خطرے کا سامنا بنیادی طور پر اپنی قلیل مدتی اور طویل مدتی بینک قرضہ جات، مدت کے ڈپازٹس، سیونگ اور منافع و نقصان کے بینک اکاؤنٹس، اور میوچل فنڈز میں کی گئی سرمایہ کاری کی وجہ سے ہوتا ہے۔

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں تبدیلیاں

مالی سال کے دوران کمپنی کے بنیادی آپریشنز کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔ شہزاد ٹیکسٹائل ملز لمیٹڈ نے ٹیکسٹائل یارن ماسکس اور موزوں کی تیاری میں اپنی سرگرمیاں جاری رکھیں، اور پورے عرصہ کے دوران اپنی قائم شدہ کاروباری لائنز اور عملی دائرہ کار کو برقرار رکھا۔

وہ اہم رجحانات اور عوامل جو مستقبل میں کمپنی کے کاروبار کی ترقی، کارکردگی، اور پوزیشن کو متاثر کر سکتے ہیں

بورڈ کی رپورٹ

بورڈ یہ بتاتے ہوئے خوشی محسوس کرتا ہے کہ کمپنی نے سال کے دوران مشکل معاشی حالات کے باوجود اطمینان بخش مالی نتائج حاصل کیے۔ تاہم موجودہ حالات — جن میں کرنسی کی قدر میں کمی، مسلسل مہنگائی کا دباؤ، اور پیداواری لاگت میں اضافہ شامل ہیں — کاروباری کارکردگی اور صنعت کی مسابقت کے لیے نمایاں خطرات پیدا کر رہے ہیں۔

پائیدار ترقی کو یقینی بنانے کے لیے ضروری ہے کہ پالیسی ساز سیاسی استحکام کو مضبوط بنانے، زرمبادلہ کی شرح کو مستحکم رکھنے، اور مالی و جاری کھاتوں کے خسارے کو کم کرنے پر توجہ دیں۔ ایسے اقدامات صنعتی ترقی اور مجموعی معاشی بہتری کے لیے سڈ گار ماحول پیدا کریں گے۔ بورڈ مزید تصدیق کرتا ہے کہ 30 جون 2025 سے اس رپورٹ کی تاریخ تک کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا عہد موجود نہیں ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

ہم اپنی ملز میں صاف اور آلودگی سے پاک ماحول قائم رکھنے کے لیے پرعزم ہیں۔ اس مقصد کے لیے ہم جدید حفاظتی نظام استعمال کرتے ہیں اور دیگر ہوائی ذرات کو ختم کرتے ہیں تاکہ ہمارے کانون کی صحت کو لاحق خطرات سے بچایا جاسکے۔ جو وہ نہیں

داخلی مالی کنٹرولز کا توازن

کمپنی نے اپنے آپریشنز کے حجم، دائرہ کار اور پیچیدگی کو مد نظر رکھتے ہوئے ایک جامع اندرونی کنٹرول سسٹم نافذ کیا واضح طور پر دستاویزی طریقہ کار مرتب کیے گئے ہیں جن کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور بدلتے ہوئے کاروباری تقاضوں کے مطابق اپ ڈیٹ کیا جاتا ہے۔

اندرونی آڈٹ کا شعبہ ان کنٹرولز کی موثریت کا مسلسل جائزہ لیتا ہے اور باقاعدگی سے اپنی رپورٹیں آڈٹ کمیٹی اور بڑے مختلف داخلی کنٹرول کو پیش کر رہا ہے۔ یہ داخلی کنٹرول فریم ورک مضبوط حکمرانی کو یقینی بناتا ہے اور کمپنیز ایکٹ 2017 اور لسٹنگ ریگولیشنز 2019 کی موثر تعمیل میں مدد فراہم کرتا ہے۔

متعلقہ فریقین کے ساتھ لین دین

مالی سال کے دوران تمام متعلقہ فریقین کے ساتھ لین دین باہمی فاصلے کی بنیاد پر کیے گئے، جن کی قیمتوں کا تعین قابل موازنہ غیر کنٹرول شدہ کے مطابق کیا گیا۔ یہ تمام لین دین ساتھ منسلک آڈٹ شدہ مالیاتی بیانات میں مکمل طور پر ظاہر کیے گئے ہیں۔

آڈٹ کمیٹی نے ان تمام لین دین کا تفصیلی جائزہ لیا اور بورڈ آف ڈائریکٹرز کو ان کی منظوری کی سفارش کی، جس کے بعد بورڈ نے ان کی منظوری دے دی۔ ریگولیٹری تقاضوں کے مطابق، یہ لین دین آنے والی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے منظوری کے لیے پیش کیے جائیں گے۔

کمپنی اس بات کو یقینی بناتی ہے کہ تمام متعلقہ فریقین کے ساتھ معاملات شفاف، مکمل طور پر دستاویزی اور ماحیث کے مطابق ہوں، تاکہ اچھی کارپوریٹ گورننس کے اصولوں کو برقرار رکھا جاسکے۔

فی شیئر آمدنی / (خسارہ)

30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی نے فی شیئر آمدنی 8.79 روپے رپورٹ کی ہے جو پچھلے سال کے خسارے فی شیئر (5.50) روپے کی نسبت ایک اہم بہتری ہے۔ یہ بہتری کمپنی کی مضبوط آپریشنل کارکردگی اور مؤثر لاگت انتظام کی عکاس ہے۔

منافع کی تقسیم

سالانہ سرمایہ کاری کی وجہ سے، بورڈ آف ڈائریکٹرز نے مالی سال 30 جون 2025 کے لیے کوئی منافع کی تقسیم تجویز نہیں کی ہے۔ کمپنی منافع میں بہتری، محتاط سرمایہ کاری، اور مؤثر کیش فلو مینجمنٹ کے ذریعے شیئر ہولڈرز کی قدر بڑھانے پر توجہ مرکوز رکھے ہوئے ہے۔ اس کے اہم حکمت عملی کے امور میں بقایا قرضوں کی کمی، مالی اخراجات کی کمی، اور طویل مدتی ترقی کے لیے پیداواری سرمایہ کاری شامل ہیں۔ بورڈ کو یقین ہے کہ آپریشن کی بہتری اور مضبوط مالی بنیاد کے ساتھ، کمپنی مستقبل میں منافع کی تقسیم دوبارہ شروع کر سکے گی۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

اگرچہ کمپنی نے سال کے دوران مالیاتی کارکردگی میں بہتری حاصل کی، تاہم یہ اب بھی ایک ایسے ماحول میں کام کر رہی ہے جو مختلف داخلی اور خارجی خطرات سے متاثر ہوتا ہے۔ اگر ان عوامل کا مؤثر انداز میں انتظام نہ کیا جائے تو یہ مستقبل کی کارکردگی پر منفی اثر ڈال سکتے ہیں۔ کمپنی کا خطرات کے نظم و نسق کا فریم ورک اس بات کو یقینی بناتا ہے کہ ممکنہ چیلنجز کی شناخت، جانچ اور تخفیف مضبوط پالیسیوں اور فعل نگرانی کے ذریعے کی جائے۔

سسٹین ایبلٹی (پائیداری کمیٹی)

سی سی جی ریگولیشنز کارپوریٹ گورننس کے ضابطوں کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز پر یہ مجموعی ذمہ داری عائد ہوتی ہے کہ کمپنی کی پائیداری سے متعلق (5) کے قاعدہ 10 2019 حکمت عملی، ترجیحات اور کارکردگی کے اہداف کو تشکیل دے تاکہ طویل مدتی کارپوریٹ ویلیو (کاروباری قدر) پیدا کی جاسکے۔ اگرچہ کم کم ایک خاتون ڈائریکٹر پر مشتمل ایک مخصوص سسٹین ایبلٹی کمیٹی کا قیام لازمی نہیں ہے، لیکن کمپنی آئندہ برسوں میں اس شق پر عمل درآمد کرنے کا ارادہ رکھتی ہے۔

معاملات سے متعلق اقدامات کی براہ راست نگرانی بورڈ کے ذریعے کی جاتی ہے تاکہ (O) فی الحال، کمپنی کے ماحولیاتی، سماجی، اور گورننس پائیداری کے تقاضے حکمت عملی اور عملی فیصلوں میں شامل رہیں۔

اے۔۔۔ زر مبادلہ کا خطرہ

کمپنی تجارتی قرضوں، قابل ادائیگی رقوم اور آمدنی جو غیر ملکی کرنسیوں میں ہوتی ہیں، پر زر مبادلہ کے خطرے سے دوچار ہوتی ہے۔

بی۔۔۔ لیکویڈیٹی رسک (نقدی کا خطرہ)

لیکویڈیٹی رسک اس ممکنہ صورتحال کی نمائندگی کرتا ہے جس میں کوئی ادارہ اپنی مالی ذمہ داریاں وقت پر پوری کرنے کے لیے مناسب فنڈز پیدا کرنے سے قاصر ہو۔ کمپنی کو لیکویڈیٹی رسک کا سامنا بنیادی طور پر مالی اثاثوں اور واجبات کی میچورٹی میں فرق کی وجہ سے ہوتا ہے۔ اس خطرے سے بچاؤ کے لیے کمپنی ایک مضبوط کیش فلو مینجمنٹ اور مالی منصوبہ بندی کی پالیسی پر عمل کرتی ہے، جو فنڈز کی بروقت دستیابی کو یقینی بناتی ہے اور نئے فنڈز کی ضروریات کو پیشگی طور پر حل کرتی ہے۔

سی۔۔۔ کریڈٹ رسک (ادائیگی کا خطرہ)

کریڈٹ رسک اس ممکنہ اکاؤنٹنگ نقصان کو ظاہر کرتا ہے جو اس صورت میں پیش آ سکتا ہے جب فریقین اپنی معاہداتی ذمہ داریاں پوری نہ کریں۔ اس خطرے سے بچاؤ کے لیے کمپنی نے ایک منظم کریڈٹ منظوری کا طریقہ کار قائم کیا ہے جس کے تحت صارفین کو کریڈٹ مرس دی جاتی ہیں۔ مزید برآں، انتظامیہ صارفین کی واجبات پر مسلسل نظر رکھتی ہے اور وہ رقوم جن کی وصولی مشکوک ہو، ان کے خلاف مناسب پروویژن قائم رکھتی ہے، تاکہ محتاط رسک مینجمنٹ کو یقینی بنایا جاسکے۔

ڈائریکٹرز کی رپورٹ

شہزاد ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز فخر کے ساتھ اپنے 47 ویں سالانہ ڈائریکٹرز کی رپورٹ شیئر ہولڈرز کے سامنے پیش کر رہا ہے، جس کے ساتھ کارکردگی کا جائزہ، آڈیٹرز کی رپورٹ اور 30 جون 2025 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی بیانات بھی پیش کیے جا رہے ہیں۔

کمپنی کے مالی سال 30 جون 2025 کو ختم ہونے والے مالی نتائج کا خلاصہ درج ذیل ہے۔

2025 (روپے)	2024 (روپے)	
11,371,016,350	11,014,646,483	فروخت
695,207,728	517,465,997	مجموعی منافع
190,561,285	85,812,496	آپریٹنگ منافع
351,232,410	82,453,852	محصول اور ٹیکس سے پہلے منافع
(193,207,066)	(181,236,830)	محصول اور ٹیکس
158,025,344	(98,782,978)	سال کا خالص منافع / خسارہ

مالی سال 2025 میں کمپنی نے 3.24% کی قابل ذکر فروخت میں اضافہ کیا، جو 11.371 ارب روپے تک پہنچ گئی، جبکہ گزشتہ سال یہ 11.015 ارب روپے تھی۔ ٹیکس کے بعد منافع 158.025 ملین روپے رہا، جو پچھلے سال کے 98.783 ملین روپے کے نقصان سے زبردست بہتری ہے۔ یہ بہتری کمپنی کی آمدنی میں اضافہ اور منافع کے مارجن میں توسیع کی عکاسی کرتی ہے۔

جراہوں کی ڈویژن کی برآمدات 1,435.977 ملین روپے تک پہنچیں، جو گزشتہ سال کے 1,075.091 ملین روپے سے 33.57% زیادہ ہے۔ تاہم سپننگ یونٹ کی برآمدات نہیں ہو سکیں، جبکہ پچھلے سال یہ 29.281 ملین روپے تھیں، جس کی بنیادی وجہ عالمی مقابلہ بازی میں کمی، بلند توانائی لاگت، اور اقتصادی غیر یقینی صورتحال ہے۔

کمپنی کے حال ہی میں متعارف کردہ ایمپلائز پروویڈنٹ فنڈ اسکیم، جو پنجاب ٹرسٹ ایکٹ 2020 کے تحت قائم کی گئی ہے، ابھی تک رجسٹریشن کے مراحل میں ہے کیونکہ پنجاب میں اس کا کوئی مخصوص ریگولیٹر موجود نہیں ہے۔ تاہم کمپنی نے تمام پروویڈنٹ فنڈ کی رقم ایک الگ سیونگز اکاؤنٹ اور میچل فنڈز میں محفوظ کر رکھی ہے۔ اس سرمایہ کاری سے حاصل ہونے والے منافع کو ملازمین کے پروویڈنٹ فنڈ اکاؤنٹس میں جمع کیا جاتا ہے۔ اس کے علاوہ، کمپنی تمام پروویڈنٹ فنڈ کے لین دین کا ایک جامع اور آزادانہ ریکارڈ بھی رکھتی ہے۔

مستقبل کا منظر نامہ

ان پٹس لاگتوں میں خاص طور پر بڑھتی ہوئی توانائی کی قیمتوں کے پیش نظر، انتظامیہ آپریشن کی کٹاوتی اور لاگت کی مسابقت کو بہتر بنانے کے لیے مختلف حکمت عملیوں پر غور کر رہی ہے۔ ان اقدامات میں کمپنی کا ارادہ ہے کہ وہ مالیاتی اداروں سے فنڈنگ حاصل کرے اور یا فروخت کے لیے موجود اثاثوں کی نیلامی کرے تاکہ تقریباً 2 میگاواٹ صلاحیت کے سولر انرجی سسٹم کی تنصیب کی جائے۔

یہ سرمایہ کاری تقریباً پونے دو سال میں اپنی لاگت واپس کر لے گی اور آنے والے سالوں میں منافع بخش اثرات مرتب کرے گی۔ اثاثہ کی فروخت کمپنی کی آپریٹنگ صلاحیت پر اثر انداز نہیں ہوگی۔

مزید برآں، انتظامیہ انسانی سرمایہ کی بہتری کے لیے تربیتی اور پیشہ ورانہ ترقیاتی پروگراموں پر توجہ دے رہی ہے تاکہ ملازمین کی صلاحیتوں کو بڑھایا جاسکے اور کمپنی کے کٹاوتی کے اہداف کے مطابق تیار کیا جاسکے۔

اسی دوران، کمپنی اپنے اہم صنعتی شراکت داروں جیسے سپلائرز، گاہکوں، اور سروس فراہم کنندگان کے ساتھ مضبوط تعلقات قائم رکھے ہوئے ہے تاکہ مارکیٹ میں اپنی موجودگی کو مستحکم کیا جاسکے، جدت کو فروغ دیا جاسکے، اور پائیدار ترقی حاصل کی جاسکے۔

FORM OF PROXY

I/We _____ Son / Daughter / Wife of _____ being a member
Of SHAHZAD TEXTILE MILLS LIMITED and holder of _____ Shares Folio
 No. _____ CDC Participant ID # _____ and
 Sub Account # _____ do hereby appoint _____ of or failing
 him /her _____ of _____ as my/our proxy to
 attend, speak and vote for me/us and on my/our behalf at the Annual General meeting of Shahzad Textile Mills Limited
 scheduled to be held on Tuesday October 28, 2025 at 2:30 p.m. at Tricon Corporate Center Office No. 701, 7th Floor, 73-E,
 Main Jail Road, Gulberg-II, Lahore and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2025.

1. Witnesses:

Name: _____

Signature: _____

CNIC: _____

Address: _____

Please affix here Revenue
Stamp of Rs. 50/-

Members' Signature

2. Witnesses:

Name _____

Signature _____

CNIC: _____

Address: _____

Shareholder's Folio No. _____

CDC A/c No. _____

CNIC: _____

Address: _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
2. Proxies, in order to be effective, must be received at the Company's Registered Office, Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg -II, Lahore, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. CDC account holders will further have to follow the under -mentioned guidelines as laid down in circular # 1, dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan.
 - i) In case of individuals, the account holder and/or sub -account holder whose securities and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
 - ii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - iii) In case of corporate entity, the Board's resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

Tricon Corporate Center, Office No. 701,
7th Floor, 73 -E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)36407340-41

پراکسی فارم (مختارنامہ)

میں/ہم _____ ولد/دختر/زوجہ _____ بحیثیت رکن
 شہزاد ٹیکسٹائل ملز لمیٹڈ اور حامل _____ حصص مطابق فلیو نمبر _____
 سی ڈی سی پارٹنرس (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کمانڈ) نمبر _____
 محترم/محترمہ _____ کا/کی _____
 کو اپنے/ہمارے ایاء پر _____ بروز منگل 28 اکتوبر 2025 بوقت 2:30 بجے سہ پہر
 برائے کون کارپوریٹ سنٹر، آفس نمبر 701، ساتواں فلور، E-73 مین چیل روڈ گلبرگ II، لاہور۔
 منعقد ہونے والے شہزاد ٹیکسٹائل ملز لمیٹڈ کے سالانہ اجلاس عام میں حق رائے دیی استعمال کرنے،
 کرتے ہیں۔

آج بروز _____ تاریخ _____ 2025 کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

-1

5 روپے کی رسیدی ٹکٹ یہاں چسپاں کریں۔

-2

دستخط رکن: _____
 شہزاد ٹیکسٹائل ملز لمیٹڈ کا فلیو نمبر: _____
 سی ڈی سی اکاؤنٹ نمبر: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

نام: _____
 دستخط: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____
 نام: _____
 دستخط: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

نوٹ

- 1- سالانہ اجلاس عام میں شرکت اور رائے دیی کا مستحق رکن پراکسی مقرر کر سکتا ہے۔
- 2- پراکسیاں تا نیکہ موثر ہو سکیں کمپنی کے رجسٹرڈ دفتر برائے کون کارپوریٹ سنٹر، آفس نمبر 701، ساتواں فلور، E-73 مین چیل روڈ گلبرگ II، لاہور۔ میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے لازماً وصول ہو جانی چاہئیں اور باقاعدہ ممبر، دستخط اور گواہی شدہ ہونی چاہئیں۔
- 3- اراکین جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ کے سنٹرل ڈیپازٹری سسٹم میں جمع کروا چکے ہوں، کو سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کی سرکلر نمبر مورخہ 26 جنوری 2000 میں دی گئی ذیل میں درج ذیل ہدایات پر عمل کرنا ہوگا۔

i- بصورت افراد کاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی تو اند و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختارنامہ) جمع کرانا ہوگا۔

ii- بینیفیشل اوئرز (مستفید ہونے والے افراد) اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختارنامہ) کے ہمراہ جمع کرانا ہوگی۔

iii- بصورت کارپوریٹ ایجنسی بورڈ کی قرارداد/مختارنامہ مع نامزد کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

سیکرٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 701، سہا تو اس فلور،
73-ای، مین جیل روڈ، گلبرگ-II، لاہور۔

Tel: +92 (42) 36407340-41

ضروری اطلاع

محترم شیئر ہولڈر (ز)

کمپنیز ایکٹ 2017 شق 242 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 18/2017 بتاریخ یکم اگست 2017 کے ذریعے SECP کی طرف سے تمام لمیٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

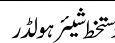
درج بالا ہدایات کے تناظر میں، آپ سے گزارش کی جاتی ہے کہ آپ مکمل بینک اکاؤنٹ/IBAN (انٹرنیشنل بینک نمبر) کی تفصیل درج ذیل فارمیٹ کے تحت کمپنی کے شیئر رجسٹرار، شہزاد ٹیکسٹائل ملز لمیٹڈ، 19-A آف ظفر علی روڈ، گلبرگ 5 لاہور کو مہیا کریں (سی ڈی سی اکاؤنٹ ہولڈر / سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ شکا ایکسچینج کو مہیا کریں) تاکہ ہم درج بالا شق / سرکلر پر عمل پیرا ہو سکیں



محمد امجد حبیب

کمپنی سیکرٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو نمبر	
شیئر ہولڈر کا نام	
بینک اکاؤنٹ نمبر	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ	
موبائل نمبر	
فون نمبر (اگر ہے)	
کمپیوٹرائزڈ شناختی کارڈ نمبر	
(کاپی منسلک کریں)	
بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں اور یہ کہ میں درج بالا معلومات میں تبدیلی کی صورت میں اور متعلقہ شیئر رجسٹرار کو مطلع کرونگا۔	
<div style="text-align: right;">  دستخط شیئر ہولڈر </div>	

ANNUAL ACCOUNTS**REQUEST FORM**

Consent for Circulation of Annual Audited Financial Statements through e-mail

Company Name: **Shahzad Textile Mills Limited**

Folio No. / CDC Sub-Account No. _____

e-mail Address: _____

CNIC No. _____

The above e-mail address will be recorded in the members register maintained under Section 120 of the Companies Act, 2017.

I will inform the Company or the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above e-mail address, unless a hard copy has been specifically requested by me.

Name and Signature of Shareholder
(Attachment Copy of CNIC)

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

Tricon Corporate Center, Office No. 701,
7th Floor, 73 -E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)36407340-41

درخواست فارم

سالانہ مالی سال کے آڈٹ شدہ اکاؤنٹس کی بذریعہ ای میل منظوری

کمپنی کا نام: شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو: سی ڈی سی سب اکاؤنٹ نمبر

ای میل ایڈریس:

شناختی کارڈ نمبر

اوپر دیا گیا ای میل ایڈریس کا اندراج ممبر رجسٹرڈ انڈر سیکشن 120 آف کمپنیز ایکٹ 2017 ہوگا۔

میں کمپنی کو کسی بھی ای میل ایڈریس کی تبدیلی کی صورت میں فوری اطلاع دوں گا اور میں کمپنی کے مالیاتی گوشوارہ (نظر ثانی شدہ) اور نوٹس کی کاپی اوپر دیئے

گئے ای میل ایڈریس پر موصول کروں گا جس کیلئے میں نے خاص طور پر درخواست کی ہے۔

شیئر ہولڈر کا نام اور دستخط

شناختی کارڈ کی کاپی منسلک شدہ ہے

سیکرٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 701، سہا تو اس فلور،
73-ای، مین جیل روڈ، گلبرگ-II، لاہور۔

Tel: +92 (42) 36407340-41

CONSENT FOR VIDEO CONFERENCE FACILITY

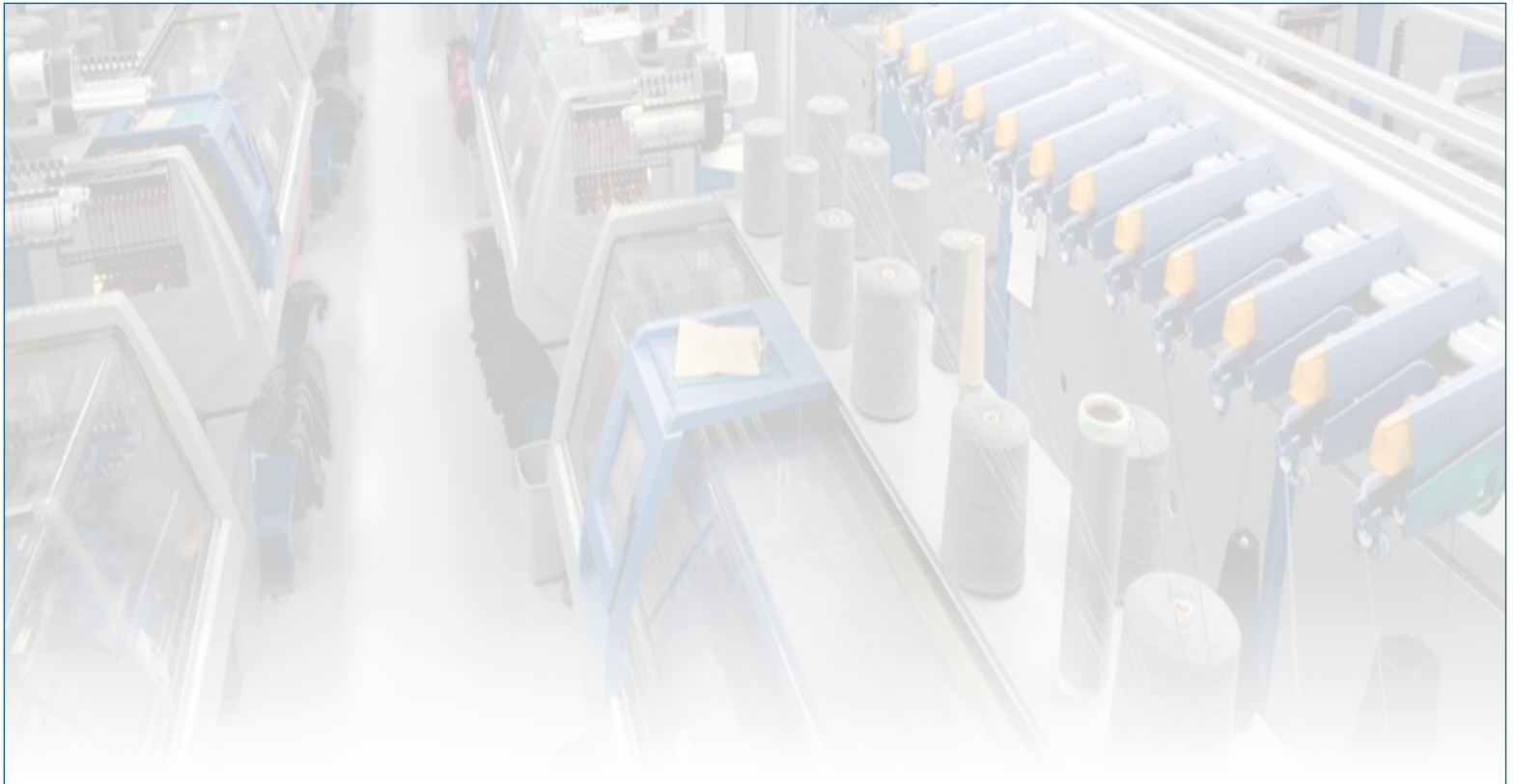
In compliance with Section 134(1)(b) of the Companies Act, 2017 if the Company receive consent from members holding aggregate 10 % or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting. The company will arrange video link facility in that city. To avail this facility please provide following information and submit to registered address of the Company.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

REQUEST FORM

I/We _____ of _____ being a member of Shahzad Textile Mills Limited, holder of _____ Ordinary Shares as per Register Folio No. / CDC Sub Account No. _____ hereby opt for video conference facility at _____

Signature of Member



Tricon Corporate Centre, Office # 701, 7th Floor,
Main Jail Road, Gulberg-II, Lahore.