

ASIM TEXTILE MILLS LTD
CONDENSED INTERIM
FINANCIAL STATEMENTS

For the Period Ended Dec 31, 2025

COMPANY INFORMATION

BOARD OF DIRECTORS:

CHIEF EXECUTIVE:
DIRECTORS:

MR. ZAHID ANWAR
MR. IMRAN ZAHID
MR. ZEESHAN ZAHID
MS. NOORULAIN ZAHID
MR. ANWAR UL HAQ
MR. ZULQARNAIN
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:

CHAIRMAN:
MEMBER:
MEMBER:

MR. ZULQARNAIN
MR. ZEESHAN ZAHID
MR. ANWAR UL HAQ

HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:
MEMBER:
MEMBER:

MR. ANWAR UL HAQ
MS. NOORULAIN ZAHID
MR. ALI RAZA ZAFAR

COMPANY SECRETARY:

MR. AJMAL SHABAB

CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

AUDITORS:

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

BANKS:

AL BARAKA BANK (PAKISTAN) LIMITED
JS BANK LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
MEEZAN BANK

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD
1ST FLOOR, H.M HOUSE, 7-BANK SQUARE
LAHORE.

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

ASIM TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE MEMBERS

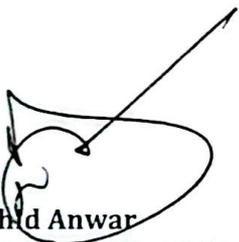
Your directors are pleased to present 2nd quarter and half yearly un-audited accounts for the period ended December 31, 2025.

The Company earned net profit of Rs. 20.697 million, as compared to net profit of Rs. 27.792 million in the corresponding period last year. Spinning sector continues to face challenges due to increased import of yarn, resulting decline in demand and yarn prices, Elevated energy tariffs, gas supply constraints, additional fiscal levies adversely impacting the margins. Even with these industry-wide pressures, management remains attentive on optimizing operations, controlling costs to improve profitability.

There has been no change in the position of on going court cases with the bank, as reported in the director's report of the financial statements for the year ended 30.06.2025.

Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

The management would like to place on record its appreciation for the continuous support of its shareholders, customers and employees and expect to receive same cooperation in future.


Zahid Anwar
Chief Executive Officer

February 26, 2025
Faisalabad.


Imran Zahid
Director

عاصم ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ برائے حصص یافتگان

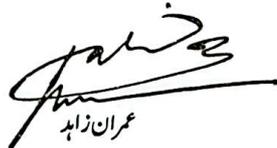
آپ کے بورڈ آف ڈائریکٹرز کو دوسری سہ ماہی اور 31 دسمبر 2025 کو ختم ہونے والے ششماہی سال کے کمپنی کے غیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔

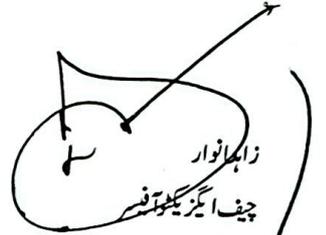
کمپنی نے موجودہ مدت میں 18.929 ملین روپے کا خالص منافع حاصل کیا، جو کہ پچھلے سال اسی مدت کے دوران 27.792 ملین روپے تھا۔ سپننگ سیکٹرز کو بدستور مشکلات کا سامنا ہے، درآمدی دھاگے میں اضافے کی وجہ سے طلب اور قیمتوں میں کمی واقع ہوئی ہے۔ بلند توانائی میرف، گیس کی فراہمی میں رکاوٹ اور اضافی مالیاتی لیویز نے منافع کے مارجن پر منفی اثر ڈالا ہے۔ ان مشکلات کے باوجود انتظامیہ آپریشنز کو بہتر بنانے، لاگت کو کنٹرول کرنے اور منافع میں اضافہ کرنے پر توجہ مرکوز کیے ہوئے ہے۔

30 جون 2025 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے حصص یافتگان میں جو مقدمات اور دیگر امور رپورٹ کئے گئے ہیں ان میں کوئی تبدیلی نہیں ہوئی ہے۔

ریلیٹڈ پارٹیز کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کمپنیز ڈاکنٹرولڈ پرائس میتھڈ کی بنیاد پر کیا گیا۔

ہم عاصم ٹیکسٹائل ملز لمیٹڈ کی انتظامیہ اپنے شیئر ہولڈرز، صارفین اور ملازمین کی مسلسل حمایت کا شکریہ ادا کرنا چاہتے ہیں اور مستقبل میں بھی اسی طرح کے تعاون کی توقع رکھتے ہیں


عمران زاہد
ڈائریکٹر


زاہد انوار
چیف ایگزیکٹو آفیسر
26 فروری 2026
فیصل آباد

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ASIM TEXTILE MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Asim Textile Mills Limited** ("the Company") as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the condensed interim financial statements). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2025 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2025.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Matter of emphasis

Without qualifying our conclusion;

- a) We draw attention to Note 9 and 10 to the annexed financial statements, which state that short term borrowings include Morabaha Finance obtained from Faysal Bank Limited amounting to Rs. 417.590 million on 31st October 1999 in respect of which the Company has filed suit against bank for charging illegal markups against principal of Islamic Banking and against circulars issued by State Bank of Pakistan and in contravention of objective clause of its Memorandum & Article of Association. Faysal Bank Limited has also filed a counter suit which has been adjudicated on 04th June 2015 against the Company as a result of which the Company has to settle the loan along with costs and cost of fund. Profit on these loans amounting to Rs. 194.161 million have already been provided for; however, provision for cost of funds has not been accounted for, having been undeterminable at this stage by the management, being aggrieved the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore, which is pending adjudication. Consequent to the litigation, the bank account balance maintained with the concerned bank remained unverified. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is Khan Muhammad.

DATE: February 26, 2026
PLACE: FAISALABAD
UDIN: RR202510199zk6TMbepY



Kreston Hyder Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	Un-Audited December 31, 2025	Audited June 30, 2025
----- Rupees -----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	727,211,812	731,040,806
Long term deposits		34,494,012	34,494,012
		<u>761,705,824</u>	<u>765,534,818</u>
CURRENT ASSETS			
Stores and spares		28,660,620	21,006,040
Stock in trade		186,109,313	120,334,695
Trade debts		17,083,357	8,205,921
Advances, deposit and prepayment		28,177,279	13,918,023
Short term investment	6	21,514,006	20,493,559
Accrued income		2,924,237	2,575,916
Tax refunds due from Government		72,728,464	55,532,281
Cash and bank balances		176,437,000	256,105,503
		<u>533,634,276</u>	<u>498,171,938</u>
TOTAL ASSETS		<u><u>1,295,340,100</u></u>	<u><u>1,263,706,756</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 17,500,000 ordinary shares of Rs.10 each		<u>175,000,000</u>	<u>175,000,000</u>
Issued, subscribed and paid up share capital		151,770,000	151,770,000
Unappropriated profit		47,331,938	20,638,273
Surplus on revaluation of property, plant and equipment	7	<u>265,984,046</u>	<u>271,980,543</u>
		<u>465,085,984</u>	<u>444,388,816</u>
NON CURRENT LIABILITIES			
Deferred taxation	8	79,242,578	82,988,320
CURRENT LIABILITIES			
Trade and other payables		131,430,472	104,014,565
Contract liabilities		7,828,937	20,562,926
Accrued mark up		194,161,422	194,161,422
Short term borrowings	9	<u>417,590,707</u>	<u>417,590,707</u>
		<u>751,011,538</u>	<u>736,329,620</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>1,295,340,100</u></u>	<u><u>1,263,706,756</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

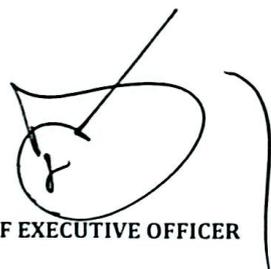
DIRECTOR

CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half Year Ended		Quarter Ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		----- Rupees -----			
Sales - net	11	1,009,305,450	1,027,696,950	550,050,900	496,389,350
Cost of sales	12	(965,633,598)	(980,894,837)	(528,401,711)	(470,896,792)
Gross profit		43,671,852	46,802,113	21,649,189	25,492,558
Operating expenses					
Distribution cost		-	(612,970)	-	(246,658)
Administrative expenses		(17,230,714)	(17,516,428)	(8,087,513)	(8,816,356)
Other operating expenses		(2,271,889)	(2,532,723)	(1,284,091)	(1,602,808)
		(19,502,603)	(20,662,121)	(9,371,604)	(10,665,822)
Profit from operations		24,169,249	26,139,992	12,277,585	14,826,736
Finance cost		(267,103)	(110,452)	(264,143)	(3,509)
Other income		5,665,598	22,089,418	3,967,867	15,627,340
Profit before Levies and income tax		29,567,744	48,118,958	15,981,309	30,450,567
Levies		(3,010,600)	(12,846,212)	2,751,304	(6,124,091)
Profit before income tax		26,557,144	35,272,746	18,732,613	24,326,476
Income tax		(5,859,976)	(7,481,167)	(2,884,779)	(8,083,586)
Profit for the period		20,697,168	27,791,579	15,847,834	16,242,890
Earnings per share - basic and diluted		1.36	1.83	1.04	1.07

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

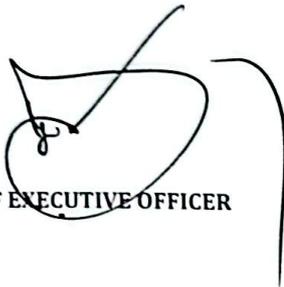

CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----			
Profit for the period	20,697,168	27,791,579	15,847,834	16,242,890
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>20,697,168</u>	<u>27,791,579</u>	<u>15,847,834</u>	<u>16,242,890</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

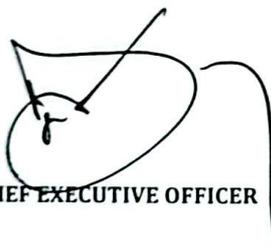

CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
	----- Rupees -----			
Balance as at July 01, 2024	151,770,000	(27,675,302)	205,603,211	329,697,909
Profit for the period	-	27,791,579	-	27,791,579
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	27,791,579	-	27,791,579
Incremental depreciation on revalued property, plant and equipment	-	6,052,633	(6,052,633)	-
Related effect of deferred tax liability	-	(1,755,264)	1,755,264	-
	-	4,297,369	(4,297,369)	-
Balance as at December 31, 2024	<u>151,770,000</u>	<u>4,413,646</u>	<u>201,305,842</u>	<u>357,489,488</u>
Balance as at July 01, 2025	151,770,000	20,638,273	271,980,543	444,388,816
Profit for the period	-	20,697,168	-	20,697,168
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	20,697,168	-	20,697,168
Incremental depreciation on revalued property, plant and equipment	-	8,445,771	(8,445,771)	-
Related effect of deferred tax liability	-	(2,449,274)	2,449,274	-
	-	5,996,497	(5,996,497)	-
Balance as at December 31, 2025	<u>151,770,000</u>	<u>47,331,938</u>	<u>265,984,046</u>	<u>465,085,984</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

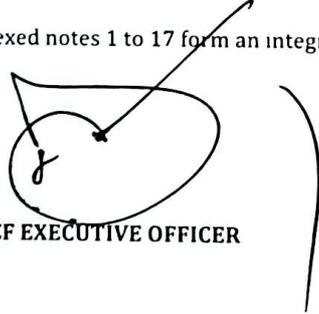


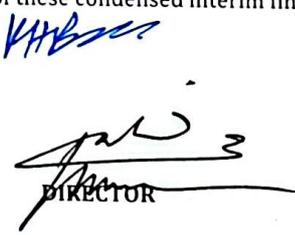
CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	December 31, 2025	December 31, 2024
Note	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Levies and income tax	29,567,744	48,118,958
Adjustments for non cash and other items		
Depreciation	19,378,994	15,610,616
Profit on deposit accounts	(4,030,810)	(10,698,551)
Gain on disposal of property, plant and equipment	-	(9,172,775)
Unrealized gain on investment in mutual funds	(1,020,447)	(1,576,084)
Workers' profit participation fund	1,591,775	2,532,577
Workers' welfare fund	675,983	-
Exchange loss on foreign currency translation	4,050	146
Balances written off	81	-
Profit on deposit with SNGPL	(614,341)	(614,341)
Finance cost	267,103	110,452
Operating cash flows before working capital changes	45,820,132	44,310,998
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(7,654,580)	(4,513,342)
Stock in trade	(65,774,618)	(31,684,536)
Trade debts	(8,877,517)	10,555,473
Advances, deposit and prepayment	(14,259,256)	2,936,259
Tax refunds due from Government	(16,404,884)	(5,385,568)
Increase/(decrease) in current liabilities		
Trade and other payables	24,958,045	66,744,694
Contract liabilities	(12,733,989)	(17,880,189)
	(100,746,799)	20,772,791
Cash (used in)/generated from operations	(54,926,667)	65,083,789
Finance cost paid	(76,999)	(110,452)
Levies and income tax paid	(13,407,617)	(24,299,846)
Exchange loss on foreign currency translation	(4,050)	(146)
Long term deposits paid	-	(537,217)
Net cash (used in)/generated from operating activities	(68,415,333)	40,136,128
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(15,550,000)	(13,289,838)
Proceeds from disposal of property, plant and equipment	-	10,700,000
Profit on deposit accounts received	4,296,830	9,447,648
Profit on deposit with SNGPL received	-	632,020
Net cash (used in)/generated from investing activities	(11,253,170)	7,489,830
Net (decrease)/increase in cash and cash equivalents	(79,668,503)	47,625,958
Cash and cash equivalents at the beginning of the period	256,105,503	148,778,968
Cash and cash equivalents at the end of the period	176,437,000	196,404,926

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. COMPANY AND ITS OPERATIONS

Asim Textile Mills Limited ("the Company") was incorporated in Pakistan on 29 July, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange limited. The registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad and the Mill is situated at 32 - KM, Main Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad in the province of Punjab. The principal business activity of the Company is manufacturing and sale of yarn.

2. BASIS OF PREPARATION

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

- International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017. These condensed interim financial statements do not include all the information as required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should therefore be read in conjunction with the financial statements for the year ended June 30, 2025.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements of the Company for the year ended June 30, 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2025.



Note	Un-Audited	Audited
	December 31, 2025	June 30, 2025

----- Rupees -----

6. SHORT TERM INVESTMENT

Fair value through profit or loss

NBP Islamic Money Market Fund	6.1	<u>21,514,006</u>	<u>20,493,559</u>
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6.1 These have been valued by using published net asset value (NAV) as at reporting date. The number of units held by the Company are 2,014,702.9577 units (June 30, 2025: 2,014,702.9577 units).

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance		271,980,543	205,603,211
Add: Surplus arise on revaluation of property, plant and equipment		-	127,126,151
Less: Related effect of deferred tax liability		-	(32,310,394)
		-	94,815,757
Less: Incremental depreciation on revalued property, plant and equipment transferred to unappropriated profit		(8,445,771)	(12,105,266)
Add: Related effect of deferred tax liability		2,449,274	3,510,527
		(5,996,497)	(8,594,739)
Less: Surplus realized on disposal of property, plant and equipment		-	(27,948,854)
Add: Related effect of deferred tax liability		-	8,105,168
		-	(19,843,686)
Closing balance		<u>265,984,046</u>	<u>271,980,543</u>

First revaluation of Company's building on freehold land and plant & machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co Lahore on the basis of depreciated replacement values

Second revaluation of Company's freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Limited, Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

Fourth revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on September 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on the basis of depreciated replacement values

Fifth revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2020 by an independent valuer M/s SA Associates, Lahore on the basis of depreciated replacement values

Sixth revaluation of the Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2025 by an independent valuer M/s SA Associates, Lahore on basis of depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets. The fair value are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs.

VHBC

	Un-Audited December 31, 2025	Audited June 30, 2025
8. DEFERRED TAXATION		
Opening balance	82,988,320	45,720,945
Adjusted during the period	<u>(3,745,742)</u>	<u>37,267,375</u>
Closing balance	<u>79,242,578</u>	<u>82,988,320</u>
8.1 This comprise of following:		
Deferred tax liability:		
Taxable temporary differences relating to operating assets	42,750,438	41,332,236
Taxable temporary differences relating to short term investment	317,062	21,132
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment	94,005,772	96,455,046
Deferred tax assets:		
Deductible temporary differences relating to minimum tax	(40,872,092)	(37,861,492)
Deductible temporary differences related to taxable loss	<u>(16,958,602)</u>	<u>(16,958,602)</u>
	<u>79,242,578</u>	<u>82,988,320</u>

9. SHORT TERM BORROWINGS

From banking company

Secured

Morabaha I	9.1	340,901,898	340,901,898
Morabaha II		74,145,100	74,145,100

Unsecured

Interest free bank overdraft	9.2	2,543,709	2,543,709
		<u>417,590,707</u>	<u>417,590,707</u>

9.1 Morabaha I represents secured finance by converting various morabaha finances into long term finance at interest rate of 13% per annum, whereas, the Morabaha II represents an interest free morabaha finance by converting various unpaid markups. These loans are secured against first charge of Rs. 505 million on fixed assets and personal guarantees of directors and Chief Executive of the Company.

9.1.1 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 10.1.1.

9.2 The Company has obtained interest free bank overdraft facility from Faysal Bank Limited but ceased the repayment of the overdraft due to litigation in courts. The facts of the litigation are explained in note 10.1.1.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 The Company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited (FBL) claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and circulars issued by the State Bank of Pakistan in addition to contravention of the objective clause of its Memorandum & Articles of Association. The amount claimed for the first two counts is Rs. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the Company. The Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the Company being condemned unheard. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. The legal advisor of the Company has confirmed that next date of hearing is fixed at 06.03.2025. Due to litigations, the Bank is not responding and confirming the balance to the Company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

10.2 Commitments

There are no significant commitments at the reporting date which need to be disclosed in the financial statements.

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Note	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----		----- Rupees -----	
11. SALES - NET				
Yarn sales	1,188,900,682	1,211,534,556	649,060,063	584,591,588
Waste sales	2,079,750	1,147,845	-	1,147,845
Gross sales	1,190,980,432	1,212,682,401	649,060,063	585,739,433
Less: Sales tax	(181,674,982)	(184,985,451)	(99,009,163)	(89,350,083)
	<u>1,009,305,450</u>	<u>1,027,696,950</u>	<u>550,050,900</u>	<u>496,389,350</u>

12. COST OF SALES					
Raw material consumed	12.1	622,636,833	633,295,871	326,402,692	326,025,258
Stores and spares consumed		7,750,812	15,590,746	4,686,291	6,665,472
Packing material consumed		10,087,582	10,155,256	5,131,513	5,607,667
Salaries, wages and benefits	12.2	80,203,860	57,199,141	43,807,038	21,370,255
Fuel and power		296,269,077	305,570,161	152,244,244	159,875,216
Repairs and maintenance		222,393	505,182	222,393	11,595
Postage and telecommunication		43,900	42,020	22,220	20,170
Insurance		2,821,891	2,834,741	1,618,008	1,663,614
Depreciation	5.1.1	17,279,552	14,416,401	8,687,067	7,241,603
Others		476,955	519,276	285,265	374,039
		<u>1,037,792,855</u>	<u>1,040,128,795</u>	<u>543,106,731</u>	<u>528,854,889</u>
Work in process					
Opening balance		22,313,323	18,387,580	22,062,576	22,919,184
Closing balance		(21,668,201)	(23,384,813)	(21,668,201)	(23,384,813)
		<u>645,122</u>	<u>(4,997,233)</u>	<u>394,375</u>	<u>(465,629)</u>
Cost of goods manufactured		<u>1,038,437,977</u>	<u>1,035,131,562</u>	<u>543,501,106</u>	<u>528,389,260</u>
Finished goods					
Opening balance		15,936,772	23,796,178	73,641,756	20,540,435
Closing balance		(88,741,151)	(78,032,903)	(88,741,151)	(78,032,903)
		<u>(72,804,379)</u>	<u>(54,236,725)</u>	<u>(15,099,395)</u>	<u>(57,492,468)</u>
		<u>965,633,598</u>	<u>980,894,837</u>	<u>528,401,711</u>	<u>470,896,792</u>

12.1 Raw material consumed

Opening Balance	82,084,600	91,435,185	68,571,533	24,739,649
Purchases	616,252,194	605,746,449	333,531,120	365,171,372
	<u>698,336,794</u>	<u>697,181,634</u>	<u>402,102,653</u>	<u>389,911,021</u>
Closing Balance	(75,699,961)	(63,885,763)	(75,699,961)	(63,885,763)
	<u>622,636,833</u>	<u>633,295,871</u>	<u>326,402,692</u>	<u>326,025,258</u>

12.2 This includes a sum of Rs 1,904,353/- (December 31, 2024 Rs 3,426,243/-) in respect of provident fund contribution.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with these related parties. Detail of transactions with related parties other than those which have been specifically disclosed in related notes are as follows

Name	Nature of transaction	Un-audited December 31, 2025	Un-audited December 31, 2024
--- Rupees ---			
Provident Fund Trust	Contributions to the fund	2,238,955	3,738,369
Zeeshan Energy Limited	Payment against purchase of electricity	-	4,000,000
CEO/Directors/Members	Expenses paid on behalf of related parties	1,485,671	1,346,385
Key Management Personnel	Salaries	3,000,000	3,000,000

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Un-Audited	Audited
December 31, 2025	June 30, 2025
----- Rupees -----	

14. SHARIAH SCREENING DISCLOSURE

STATEMENT OF FINANCIAL POSITION

Assets:

Shariah compliant investments and bank deposits/bank balances

Short term investment	21,514,006	20,493,559
Bank balances	47,021,603	219,421,773

Financing as per Islamic mode

Short term borrowings	417,590,707	417,590,707
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Accrued mark up as per Islamic mode

Short term borrowings	194,161,422	194,161,422
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STATEMENT OF PROFIT OR LOSS

Revenue earned from a shariah compliant business	1,009,305,450	2,181,698,425
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Source and detailed break up of other income

Other income earned from shariah compliant:

Profit on deposit accounts	2,085,002	8,455,400
Dividend income on investment in mutual funds	-	2,584,553
Unrealized gain on investment in mutual funds	1,020,447	23,517
Profit on deposit with SNGPL	614,341	1,228,682
Balances written back	-	253,295

Other income earned from non - shariah compliant:

Profit on deposit accounts	1,945,808	7,160,335
Exchange gain on foreign currency translation	-	5,850

Relationship with shariah compliant banks

Name of institutions

Al Baraka Bank Pakistan Limited
Meezan Bank Limited
Faysal Bank Limited

Relationship with institutions

Bank balance
Bank balance
Short term borrowings

15. FINANCIAL RISK MANAGEMENT

15.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

There have been no changes in the risk management policies during the period since June 30, 2025 except those specifically mentioned. Consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

15.2 Fair value measurements of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the IFRSs.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

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Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

The following table presents the Company's significant financial assets and liabilities measured and recognized at fair value at December 31, 2025 on a recurring basis:

Un-audited			
As at December 31, 2025			
----- Rupees -----			
Level 1	Level 2	Level 3	Total
Financial assets			
Short term investments	21,514,006	-	21,514,006
Total financial assets	21,514,006	-	21,514,006

Audited			
As at June 30, 2025			
----- Rupees -----			
Level 1	Level 2	Level 3	Total
Financial assets			
Short term investments	20,493,559	-	20,493,559
Total financial assets	20,493,559	-	20,493,559

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities.

16. GENERAL

16.1 Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of immediately preceding financial year, whereas, the condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows have been compared with the balances of comparable periods of immediately preceding financial year.

16.2 Rounding

Figure have been rounded off to the nearest rupees unless otherwise stated.

17. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 26 FEB 2026 by the Board of Directors of the Company.

KHB

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



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