

Annual Report 2026

threads of progress



Gadoon Textile Mills Limited

7-A, Muhammad Ali Society
Abdul Aziz Haji Hashim Tabba Street
Karachi 75350 Pakistan

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gadoon

Story

threads of innovation

A Journey of Resilient Growth that Creates Sustainable Impact and Value

Here at Gadoon, progress is more than moving forward. It is about strengthening our foundation, embracing new possibilities, and creating lasting value through responsible and purposeful growth. Our theme for this year, **“Threads of Progress,”** reflects our commitment to advancing through innovation, sustainability, operational excellence, and resilience.

Our journey is driven by a clear ambition to build a stronger and more agile business. As the industry continues to evolve, we remain focused on enhancing efficiency, strengthening our capabilities, and adopting innovative solutions that enable us to respond effectively to changing market dynamics. Every step we take today contributes to a more resilient foundation for tomorrow.

Sustainability remains central to our approach to growth. We continue to focus on responsible resource management, environmental stewardship, and initiatives that create meaningful value for our people, communities, and the environment.

Innovation further strengthens our progress. Through technology, process improvement, digital solutions, and continuous learning, we are enhancing the way we operate while preparing for the opportunities of an evolving global landscape.

Together, these efforts reflect our commitment to resilient growth that creates sustainable impact and value. As you explore this Annual Report, you will see how our strategy, performance, innovation, sustainability, and people come together to shape our journey.

Our progress continues,
driven by purpose, strengthened
by resilience, and focused on
creating lasting value.





Contents

04	Organizational Overview and External Environment
54	Strategy and Resource Allocation
60	Risk & Opportunities
70	Sustainability & Corporate Social Responsibility
88	Corporate Governance
156	Analysis of the Financial Information
190	IT Governance & Cybersecurity
196	Outlook
200	Stakeholder's Relationship & Engagement
206	Excellence in Corporate Reporting
210	Financial Statements
264	Notice & Checklist

threads of value

- 006 Company Information
- 007 Gadoon at a Glance
- 008 Business Model
- 010 Product Gallery
- 012 Geographical Spread
- 014 CEO's Message
- 016 Board of Directors
- 017 Directors' Profile
- 026 Vision, Mission, Culture & Core Values
- 027 Business Conduct and Code of Ethics
- 028 Beneficial Ownership / Group Shareholding
- 029 Group Profile
- 038 Organizational Chart
- 039 Senior Management
- 040 Annual Performance Review
- 040 Performance Overview of Activities, Products, Services, and Segments
- 042 Value Chain Positioning
- 044 PESTLE Analysis
- 046 Seasonality of Business
- 046 Legal and Regulatory Environment
- 046 Significant Changes from Prior Year
- 046 Awards and Achievements
- 046 Awards received during the year
- 047 Competitive Landscape and Market Positioning
- 048 SWOT Analysis
- 050 History of Major Occasions
- 052 Calendar of Notable Events



Company Information

Board of Directors

Mr. Muhammad Ali Tabba (Chairman)
Mr. Muhammad Sohail Tabba (Chief Executive Officer)
Mr. Jawed Yunus Tabba (Non-Executive Director)
Mr. Muhammad Hassan Tabba (Non-Executive Director)
Mr. Ibrahim Sohail Tabba (Non-Executive Director)
Syed Muhammad Shabbar Zaidi (Independent Director)
Mr. Moin M. Fudda (Independent Director)
Ms. Fauzia Hasnain (Independent Director)

Audit Committee

Syed Muhammad Shabbar Zaidi (Chairman)
Mr. Moin M. Fudda
Mr. Muhammad Ali Tabba
Mr. Jawed Yunus Tabba
Mr. Ibrahim Sohail Tabba

HR & Remuneration Committee

Mr. Moin M. Fudda (Chairman)
Mr. Jawed Yunus Tabba
Mr. Ibrahim Sohail Tabba
Ms. Fauzia Hasnain

Sustainability Committee

Ms. Fauzia Hasnain (Chair person)
Mr. Moin M. Fudda
Mr. Ibrahim Sohail Tabba

Executive Director Finance

Mr. Abdul Sattar Abdullah

Chief Operating Officer

Mr. Imroz Iqbal

Chief Financial Officer

Mr. Muhammad Imran Moten

Chief Internal Auditor

Mr. Haji Muhammad Mundia

Company Secretary

Mr. Fuad Zakaria Bhuri

Auditors

Yousuf Adil
Chartered Accountants
Independent correspondent firm of
Deloitte Touche Tohmatsu

Registered Office

200-201, Gadoon Amazai Industrial Estate,
Distt. Swabi, Khyber Pakhtunkhwa.
Phone: 093-8270212-13
Fax: 093-8270311
E-mail: secretary@gadoontextile.com

Head Office

7-A, Muhammad Ali Society,
Abdul Aziz Haji Hashim,
Tabba Street, Karachi 75350.
Phone: 021-35205479-80
Fax: 021-34382436

Liaison Office

Office No. 401, 4th Floor, Tri Tower,
Opposite Sarhad University, Ring Road, Peshawar.
Phone: 091-5701496
Fax: 091-5702029

Factory Locations

- 200-201, Gadoon Amazai Industrial Estate,
Distt. Swabi, Khyber Pakhtunkhwa.
- 57 km on Super Highway, near Karachi.

Bankers

- Al Baraka Bank Limited
- Allied Bank Limited
- Askari Bank Limited
- Bank Al-Falah Limited (Islamic Banking)
- Bank AL Habib Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- JS Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Soneri Bank Limited
- Standard Chartered Bank Pakistan Limited
- The Bank of Khyber
- The Bank of Punjab (Taqwa)
- United Bank Limited
- Easy Paise Limited (Telenor Microfinance Bank)

Development Financial Institution

- Pak Kuwait Investment Company (Private) Limited
- Lucky Investments Limited
- UBL FUNDS
- MCB FUNDS
- Al Meezan Investment Management Limited
- NBP FUNDS

E-Communication

Website
www.gadoontextile.com
Facebook
www.facebook.com/Gadoontextile
LinkedIn
<https://www.linkedin.com/company/gadoontextilemillslimited>
YouTube
<https://www.youtube.com/@GadoonTextileMillsLimited1988>
Instagram
<https://www.instagram.com/gadoontextilemills>

Share Registrar / Transfer Agent

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi
Toll Free: 0800 23275

Gadoon at a Glance

Our Story

A Foundation Built on Purpose

Most textile mills are established in response to market opportunity. Gadoon Textile Mills was established in response to a national need.

In the late 1980s, the Government of Pakistan launched an initiative to transform the Gadoon-Amazai region of District Swabi by replacing poppy cultivation with industrial development and creating sustainable employment opportunities for local communities. To bring this vision to life, the Government invited private enterprises to establish manufacturing facilities in the region. However, its remote location, challenging terrain, and distance from the country's ports discouraged many investors. Yunus Brothers Group saw an opportunity where others saw uncertainty and, in 1988, established Gadoon Textile Mills Limited with a single production line of 14,400 spindles.

The Company continued its operations even after the Government unilaterally withdrew the incentives for setting up industrial units in 1991. That decision reflected a commitment to the region and its people rather than to short-term advantage, and it has shaped the Company's character in the decades since.

Since then, the Company has grown steadily from its original 14,400 spindles into one of the largest spinning operations in Pakistan, with installed capacity today standing at around 360,000 spindles. With a sustainable strategy and a commitment to the principles of "No Poverty" and "Zero Hunger," GTML expanded further by establishing an additional production facility in Karachi, followed by a merger with Fazal Textile Mills Limited (FTML). Alongside its spinning and knitted bedding operations, the Company also maintains a dairy herd of more than 1,072 animals, an extension of the same founding principle: that industry in this region was meant to create more than one form of livelihood.

Today, the Company's yarns and its Koyal and Peach knitted bedding products serve manufacturers in Pakistan and abroad. This origin remains part of how the Company understands itself, and the results presented in this report continue to build upon it.

Our Business

GTML is primarily engaged in Pakistan's textile industry and operates in the B2B segment. The Company is involved in fiber spinning and value-added manufacturing, with production facilities capable of spinning and processing all categories of cotton and man-made fiber. It also manufactures and sells knitted bedding products and provides dyeing services.

Built on a track record spanning decade, the Company remains committed to making a meaningful contribution to Pakistan's textile industry. Consistent product quality, a range of innovative products, and a commitment to corporate ethics and professionalism have helped the Company build a loyal customer base across domestic and international markets, with relationships that in many cases go back thirty-eight years.

Alongside its textile operations, the Company also runs a dairy segment, whose primary activity is the production and sale of milk, with a current herd size of more than 1,072 animals.

Product Portfolio

The Company offers a diverse product portfolio mentioned as follows:

Yarns

- Yarn Types (Spinning Method)**
 - Ring Spun Yarn (Carded / Combed / Compact) 6/1 to 160/1
 - Open-End Yarn (Autocoro / RN) 6/1 to 30/1
 - Murata Vortex Spun Yarn (MVS) 12/1 to 60/1

- Yarn Structures & Special Constructions**

- Core Spun Yarn (Lycra / Poly Core)
- Siro Spun Yarn / Siro Slub Yarn
- Slub Yarn (Regular / Multi Count)
- Neppy Yarn
- Zero Twist Yarn
- S-Twist / Z-Twist Yarn
- TFO Yarn (Two-for-One Twisted Yarn)

- Fiber-Based Yarn Categories**

- 100% Cotton Yarn (MS, LS, ELS) - Customized Blend
- Poly / Cotton (PC) Yarn - Any Ratio
- Poly / Viscose (PV) Yarn - Any Ratio
- CVC Yarn (Chief Value Cotton) - Any Ratio
- Tri-blend Yarn (Poly/Cotton/Viscose or Modal) - Customized Blend
- Man-Made / Cellulose Yarn (Polyester, Acrylic, Viscose, Modal, Lyocell, Bamboo)
- Recycled Polyester Yarn
- Melange Yarn / Heather Grey Yarn

- Fancy or Functional Yarns**

- Fancy Yarn (Slub, Neppy, Loop, Multi-count)
- Lycra / Spandex Yarn (Stretch Yarn)
- PVA Yarn (Water Soluble)
- High Bulky Yarn
- Waxed Yarn

Knitted Sheets

- Single Jersey Knitted Fitted Sheets
- Institutional and Hospital Laundry Sheet
- Jersey Pillowcases
- Therapeutic Pillow
- Jersey Duvet Sets
- Sheet Sets with Fitted / Flat Sheets & Pillowcases
- Nursery Kids Sheets
- Terry Fitted Sheets
- Mattress Covers
- Molten Fitted Sheets
- Greige and Dyed Fabrics

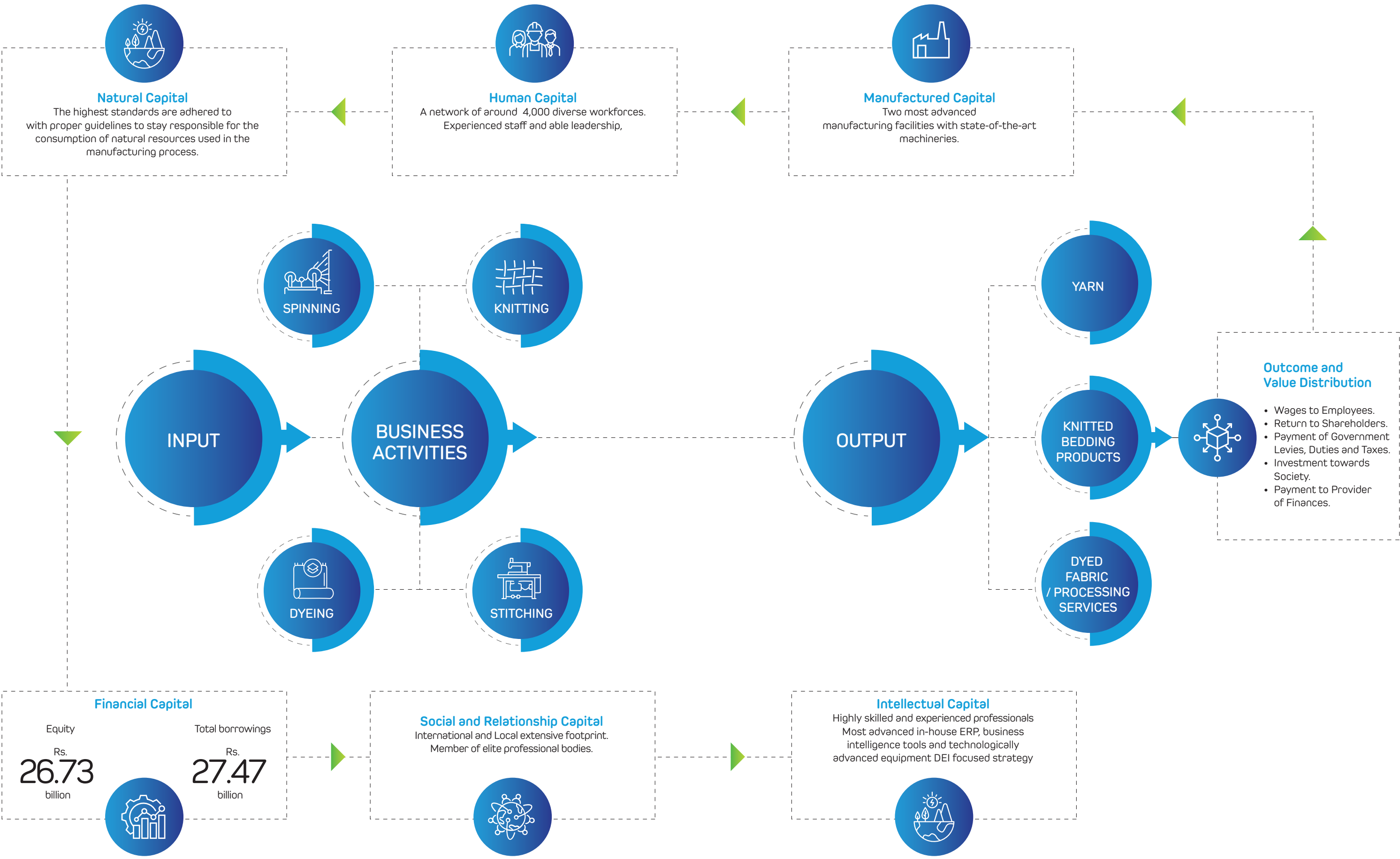
Dyeing Services

- Bleach
- Disperse
- Disperse Acid
- Disperse Reactive
- Half Bleach
- Reactive
- Wash

Our Brands

Koyal and Peach are our two brands that have significant prominence in the market.

Business Model



Product Gallery



Geographical Spread



CEO's Message

Dear Stakeholders

I am pleased to present to you the Annual Report for the year ended June 30, 2026.

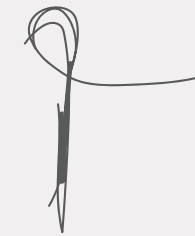
Alhamdulillah, this year marks the completion of the thirty-eighth year of the Company's operations. Despite facing significant challenges on various fronts, the Company achieved its highest-ever net sales this year, growing by 7.07% to Rs. 75.99 billion, driven by an increase in both volume and price, with net profit rising to Rs. 2.62 billion.

Our proactive measures to maximize returns included managing the sales mix, expanding the value-added segment particularly knitted bedding products, optimizing operational efficiency, and investing approximately Rs. 5.6 billion in technologically advanced machinery and renewable energy. However, these benefits were partly offset by factors beyond our control, including elevated energy tariffs and the State Bank of Pakistan's policy rate increase to 11.5% in April 2026. We also continued to expand in value-added and technical textiles, a segment we believe holds significant long-term potential. With our recent capacity expansion largely in place, our financial focus is also shifting from capital deployment to capital efficiency — maximizing utilization of existing assets and strengthening our balance sheet through disciplined deleveraging.

Our core objective is to elevate our business through technological advancements that ensure safety, conserve natural resources and benefit society as a whole. In line with our environmental stewardship, we actively pursue green initiatives and a substantial part of the Company's energy requirement are met through renewable sources that minimize our carbon footprint. By aligning our business practices with these principles, we aim to achieve long-term profitability while creating a positive and lasting impact on the environment, society, and our stakeholders.

Looking ahead, the global and domestic business environment continues to pose challenges, particularly for the textile and spinning industry. However, the Company remains confident that our long-standing customer relationships—coupled with our focus on cost optimization, maximum capacity utilization, and expansion into value-added segments—will enable us to sustain profitable growth. Our journey has been defined by perseverance, collaboration, and a shared vision, reflecting the strength of our collective efforts and the unwavering support of our partners.

Finally, I want to express my heartfelt gratitude to all our stakeholders for standing by us during these demanding times. Moving forward, we are well-positioned to capitalize on new opportunities by investing in innovation, deepening customer bonds, and pursuing sustainable growth strategies that create long-term shareholder value. Together, we will build on our shared strengths to achieve even greater success and excellence in the coming year.



Muhammad Sohail Tabba
Chief Executive Officer



Board of Directors

Our Board of Directors brings together a strong blend of experience, expertise, and diverse perspectives, providing the Company with effective strategic oversight and sound governance. Through responsible leadership and informed decision-making, the Board continues to guide the Company in pursuing operational excellence, sustainable growth, and long-term stakeholder value. Its emphasis on transparency, accountability, and ethical conduct reinforces a culture of trust and responsible stewardship, while ensuring that the Company remains aligned with evolving business needs and fully compliant with applicable legal and regulatory requirements.



Directors' Profile



Mr. Muhammad Ali Tabba
Chairman

Mr. Muhammad Ali Tabba (“Mr. Tabba”) embarked on his professional journey with the prestigious Yunus Brothers Group (“YBG”) in 1991. YBG is a distinguished family conglomerate that has established itself as a leading example of entrepreneurial excellence, not only in Pakistan but also across the Middle East, Central Africa, Europe and North America. With diverse interests spanning building materials, chemicals, pharmaceuticals, energy, textiles, automotive and real estate development, Mr. Tabba has contributed significantly to YBG’s growth and transformation, further strengthening the Group’s position as a global player across multiple industries.

Mr. Tabba assumed the role of Chief Executive of Lucky Cement Limited (“LCL”) in 2005, succeeding his late father. His formidable leadership extends far beyond the cement industry, as he holds prominent positions as the Chairman of Gadoon Textile Mills Limited, Yunus Textile Mills Limited, Lucky Motors Corporation, Lucky Electric Power Company Limited, and Lucky Investments Limited, a Shariah-compliant asset management company that provides innovative and accessible investment solutions to individuals and corporate institutions. Additionally, he serves as the Vice Chairman of Lucky Core Industries Limited, formerly ICI Pakistan Limited, contributing to the company’s continued success through his exemplary strategic acumen.

Mr. Tabba is also the Chairman of National Resources Limited (“NRL”), a mining company that has been granted exploration leases in the Chagai district of Balochistan. The company has discovered copper-gold mineralisation in Eastern Chagai and continues to explore the area by introducing modern mining methods, engaging world-class consultants and training local engineers to support sustainable development.

Beyond the corporate sphere, Mr. Tabba holds pivotal roles in industry and community organizations. He serves as the Chairman of the All Pakistan Cement Manufacturers

Association, while his previous responsibilities have included serving as Chairman of the Pakistan Textile Council and the Pakistan Business Council. He is also actively engaged in several community welfare initiatives, demonstrating his deep commitment to societal progress. His involvement extends to renowned universities, institutions and foundations, where he serves on their Boards of Governors and contributes to the advancement of their respective missions.

Mr. Tabba’s commitment to philanthropy is exemplified through his role as Chairman of the Aziz Tabba Foundation (“ATF”), a non-profit organization dedicated to improving society through initiatives in social welfare, self-employment through microfinance, education, healthcare and housing. The two state-of-the-art hospitals in Karachi, namely the Tabba Heart Institute and the Tabba Kidney Institute, are prominent examples of ATF’s significant contributions to the community.

In recognition of his exceptional contribution to Pakistan’s social development sector, Mr. Tabba was honored with the title of Young Global Leader by the World Economic Forum in 2010. His notable achievements also include receiving the prestigious Karachi Chamber of Commerce and Industry “Businessman of the Year” Gold Medal Award for 2012–2013. In further recognition of his unwavering dedication and services, the Government of Pakistan bestowed upon him the Sitara-e-Imtiaz in 2018, one of the nation’s highest civilian awards.

Mr. Muhammad Ali Tabba’s wide-ranging leadership, combining business excellence with a strong commitment to social welfare, reflects the vision of a forward-thinking leader whose contributions have created a lasting impact in Pakistan and beyond.



Mr. Muhammad Sohail Tabba

Chief Executive Officer

Mr. Muhammad Sohail Tabba is an accomplished business leader with over three decades of leadership experience across diverse sectors of Pakistan's economy, including textiles, cement, chemicals, energy, automobiles, and real estate. Through his strategic leadership, he has played a pivotal role in the continued growth and diversification of the Yunus Brothers Group (YBG), one of Pakistan's leading and most diversified business groups.

Mr. Tabba serves as the Chief Executive Officer of Gadoon Textile Mills Limited and Lucky Knits (Private) Limited. He also serves on the Boards of Yunus Textile Mills Limited, Lucky Textile Mills Limited, Lucky Motor Corporation Limited, and several other notable companies. In the power sector, he serves as the Chairman of Yunus Energy Limited and Lucky Renewables (Private) Limited, steering transformative initiatives in renewable energy.

Since assuming the Chairmanship of Lucky Core Industries Limited in 2014, Mr. Tabba has spearheaded the company's strategic expansion and diversification into new frontiers. He is also the Chairman of Lucky Cement Limited, an industry leader that has set benchmarks in Pakistan's cement manufacturing. Previously, he chaired the Board of Nutrico Morinaga (Private) Limited, a joint venture with Morinaga Milk Industry Co., Ltd., Japan, one of Japan's leading dairy and infant nutrition companies, that imports and manufactures Morinaga formula in Pakistan.

Mr. Tabba has also been instrumental in expanding YBG's presence in the retail and leisure sectors, leading the development of LuckyOne Mall, one of Pakistan's premier retail and entertainment destinations.

Beyond business, Mr. Tabba is deeply committed to education and institutional growth. He serves on the Board of Governors of the Textile Institute of Pakistan. He is also the founding Vice President of the Italian Development Council, where he has actively fostered global business linkages and cross-border collaborations.

His commitment to philanthropy is further reflected in his role as a Director of the Aziz Tabba Foundation, which operates leading healthcare institutions, including the Tabba Heart Institute and Tabba Kidney Institute, alongside numerous other welfare projects. He is also the Founding Trustee of ChildLife Foundation, an organization transforming pediatric emergency care across Pakistan through advanced children's emergency rooms and a nationwide telemedicine network. ChildLife Foundation was honored with the prestigious Skoll Award for Social Innovation in 2026, recognizing its transformative work in pediatric emergency healthcare.

Mr. Tabba's leadership is characterized by strategic vision, innovation, and strong corporate governance, with a continued focus on creating sustainable economic and social impact.



Mr. Jawed Yunus Tabba

Non-Executive Director

Mr. Jawed Tabba has extensive experience in the textile industry and is currently the Chief Executive Officer of Lucky Textile Mills Limited. His untiring efforts helped him acquire deep insight and expertise in export and manufacturing activities. He has been instrumental in managing the textile concerns of the Yunus Brothers Group (YBG) and has transformed Lucky Textile Mills Limited into one of the premier textile companies and among the top five home textile exporters of Pakistan.

Mr. Tabba is on the Board & related sub-committees of Lucky Cement Limited, Gadoon Textile Mills Limited, Lucky Motor Corporation Limited, Lucky Energy (pvt) Limited, Lucky Investments. He is actively involved in the formulation of the vision, strategies & governance structures of these companies.

Mr. Tabba is also managing the real estate project – Luckyone Mall & Apartments, the largest mall in Pakistan, and multi-faceted, first of its kind regional shopping mall which has revolutionized the shopping experience in Pakistan.

Mr. Tabba is a Director of Aziz Tabba Foundation where he is extensively engaged in community welfare projects. He is working extensively in the field of social welfare, education, health, and housing. He is also a Member of the Young President Organization (YPO).



Mr. Muhammad Hassan Tabba

Non-Executive Director

Mr. Muhammad Hassan Tabba is the Chief Executive Officer of Yunus Textile Mills Limited (YTML), a state-of-the-art home textile mill with subsidiaries in North America and Europe. Hassan spearheads YTML as part of the Executive Management while playing a pivotal role in providing strategic vision to the Organization.

He graduated in 2019 From Bentley University, Massachusetts, U.S, in Business & Finance. Post his graduation, Hassan has worked on developing corporate strategies. After joining YTML, he has not only developed the organizational culture and promoted transparency and collaboration throughout the organization but has also worked on developing partnerships with company stakeholders, shareholders, industry regulators, and other relevant parties. He has actively participated in planning for the new projects and served excellently for expansion and development.

He started his career with Yunus Brothers Group (YBG) – a family conglomerate operating in Pakistan since 1962. YBG is one of the premier business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotive, and Real Estate Development. The group also has joint venture Manufacturing Companies in Iraq, and DR Congo and trading operations in UAE. The group has an annual turnover of over USD 2.9 Billion and Assets worth USD 2.5 billion.

Being on the Company’s Board, he has played a vital role in the development of operational and industrial strategies which eventually resulted in the growth and success of the company. Besides, he has actively engaged in many social and educational projects for the cause of humanity and assisting the needy and deprived in society.

With extensive engagements in many Community Welfare Projects, Muhammad Hassan Tabba serves on the not-for-profit organization, Aziz Tabba Foundation. The Foundation is working extensively in the fields of Social Welfare, Education, Health, and Housing. The Foundation runs two state-of-the-art Hospitals in Karachi; the 170-bed Tabba Heart Institute (THI) which is a dedicated Cardiac Care Hospital and the 100-bed Tabba Kidney Institute (TKI), a specialized institution providing comprehensive treatment for Nephro-Urological disorder.

Mr. Tabba also serves as Director at Lucky Cement, Gadoon Textile Mills, Lucky Energy, Yunus Energy, Lucky Renewables, Lucky Textile Mills, Lucky Electric Power Company, Lucky Land Mark and YB Pakistan Limited, also part of the family conglomerate.



Mr. Ibrahim Sohail Tabba

Non-Executive Director

Mr. Ibrahim Sohail Tabba serves as the Executive Director at Lucky Landmark (Private) Limited (the “LLPL”), the owning company of LuckyOne Mall – Pakistan’s largest shopping destination.

A graduate of Goldsmiths, University of London (2023) with Bachelor’s degree in Business Management, Mr. Ibrahim brought a fresh perspective and dynamic leadership to LLPL. Since joining the LLPL, he has been instrumental in developing and steering the LLPL’s strategic direction.

At LLPL, Mr. Ibrahim has been committed on setting a strategic direction for the company by shaping the culture, driving innovation, and fostering a customer-centric approach. He has implemented key initiatives to enhance operational efficiency and expand the mall’s market reach,

while also prioritizing sustainability and corporate ial responsibility. Through his leadership, he is aiming to maintain its position as a market leader and continue delivering exceptional value to both customers and stakeholders.

With a vision for continuous growth and excellence, Mr. Ibrahim plays an active role in overseeing the group’s textile businesses, with a particular focus on sustainability. He is committed to leveraging advancements in technology to drive innovation and add value to the textile sector.



Syed Muhammad Shabbar Zaidi
Independent Director

A chartered accountant by profession, Syed Muhammad Shabbar Zaidi served as the 26th Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020. Mr. Zaidi previously also served as a Provincial Minister for Finance, Board of Revenue and Excise & Taxation, in the Government of Sindh during the 2013 caretaker setup. He was also a member of the Federal Government Task Force for Reform of Tax Administration in 2002 and authored the report.

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council. Mr. Zaidi is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006.

Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Currently, Mr. Zaidi is serving on the board of Lucky Core Industries Limited (formerly ICI Pakistan Limited) as an independent director and as Chairman Audit Committee. Among his non-profit work, he is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of Board of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL).

He has also authored books, including

- 1) 'A Journey for Clarity',
- 2) 'Pakistan: Not a Failed State',
- 3) 'Panama Leaks: A Blessing in Disguise',
- 4) 'Pakistan: Rich People: Poor Country',
- 5) 'The Serene Self',
- 6) 'OECD's Multilateral Instruments & Pakistan's Bilateral Double Tax Avoidance Agreements',
- 7) 'Faith & Intellect',
- 8) 'Foreign Exchange Regulations of Pakistan: Acquisition & Disposal of Shares & Securities',
- 9) 'Commentary on Pakistan's Tax Laws for Non-Resident Persons & Offshore Assets of Residents' and
- 10) 32 Onkar Road.



Mr. Moin M. Fudda
Independent Director

Mr. Moin M. Fudda has over 50 years of distinguished experience in the corporate sector, along with extensive service in diplomatic roles. He holds an MBA in Risk Management Insurance from St. John's University, New York and B.S. in Insurance and Economics from R.C.D. College of Insurance Tehran.

To make effective use of his expertise in Risk Management, he served as Managing Director of the Karachi Stock Exchange (PSX), CEO of the National Commodity Exchange (PMEX) and Chairman of the National Clearing Company of Pakistan Limited. As MD – KSE, he was elected Chairman of the Corporate Governance Task Force of the Federation of Euro-Asian Stock Exchanges (FEAS). In collaboration with the Securities and Exchange Commission of Pakistan (SECP), he contributed to the establishment of the Pakistan Institute of Corporate Governance (PICG). He is a Certified Corporate Governance Trainer accredited by the International Finance Corporation and serves as a member of PICG's faculty. He also assisted the Ministry of Finance in drafting the Corporate Governance Rules for Public Sector Enterprises. Among his publications is the Corporate Governance Guide for Family-Owned Businesses.

Earlier in his career, he developed extensive expertise in Insurance and Reinsurance, serving as an Associate with Stewart Wrightson, Lloyd's Insurance Brokers, and as COO of Reinsurance at American International Group (AIG). He also served as an Adjunct Assistant Professor at the College of Insurance in New York. Prior to joining the PSX, he held several senior leadership positions, including Executive Director of Pakistan Reinsurance Company Limited, Country Chief of New Zealand Insurance and Commercial Union (CU, now part of Aviva), and Founder Managing Director of CU Life (now Jubilee Life Insurance). He also served as Country Director at the Center for International Private Enterprise, an affiliate of the U.S. Chamber of Commerce.

He is currently the Country Representative of SCOR, France. Since 1989, he has served as the Honorary Consul General of New Zealand in Pakistan and was awarded the New Zealand 1990 Commemoration Medal by the Queen of New

Zealand. In 2002, he was appointed an Honorary Officer of the New Zealand Order of Merit (ONZM). In 2006, he was conferred the prestigious Sitara-e-Imtiaz by the President of Pakistan. He and his wife have travelled to 143 countries across six continents.

Other appointments include:

- Chairman - IT Minds Limited (Subsidiary of Central Depository Company – CDC)
- Director & Audit Chair - Pak Suzuki Motor Company Limited Feroz1888 Mills Limited & Lucky Textile Mills Limited
- Director & HR Chair - Gadoon Textile Mills Limited

Mr. Fudda's other professional affiliations were:

- | | |
|------------|--|
| Chairman: | Central Depository Company of Pakistan, Islamabad Stock Exchange, NCCPL, and Alternate Dispute Resolution Committee – Federal Board of Revenue |
| CEO: | Karachi Stock Exchange, National Commodity Exchange, Commercial Union Insurance Centre for International Private Enterprise (affiliate of US Chamber of Commerce) |
| President: | Overseas Investors Chamber of Commerce & Industry, Management Association of Pakistan and Karachi Boat Club |
| Directors: | State Life Insurance Corporation, Pakistan Stock Exchange, Al Meezan Investment Management, Pak Suzuki Motor Company, Wyeth Pakistan Limited and Merit Packaging Limited |
| Member: | Board of Investment – Privatization Commission & Britain Business Advisory Pakistan Institute of Management – Executive Committee of FPCC&I |



Ms. Fauzia Haseenain
Independent Director

Ms. Fauzia has over 33 years of well-rounded Senior Management experience mainly in the Pakistani financial sector, which encompasses multinational commercial banks (Bank Makramah Limited and Deutsche Bank AG), two stock brokerage houses (Smith International Securities and AMZ Securities), an investment bank (ORIX) and a development financial institution (Pak Kuwait Investment Company). In 2008 she was Business Development Head at Arkaan Capital Partners LLC, a Sharjah based finance company, and part of the Emirates Investments Group. In addition, she has worked as an independent Financial Consultant in Karachi as well as the UAE.

She is currently serving as an independent member of the Board of Directors of Mutual Fund Association of Pakistan and associated with Saakh Pharma (Private) Limited as a Consultant

Other than working in the financial sector, Fauzia also headed an IT company which was an outsourcing platform for US based companies in the health care sector. She additionally worked as Director Projects for a pharmaceutical company (one of the leading importers & distributors of Oncology and lifesaving drugs in Pakistan), where she was overseeing the Supply Chain, Distribution and Regulatory Affairs Departments.

As a consequence of her working experience in diverse entities, with varied responsibilities, Fauzia has developed significant skills in multiple business areas. In the financial sector, the areas of her expertise include Credit, Corporate Finance and Investment Banking, and she has led transactions which encompass debt / equity fund raising, syndications, IPO's, M&A, private placements and corporate/debt restructuring.

She also conceived and established the Chinese Desk for bonding business at Deutsche Bank, as well as the Credit, Marketing, Credit Monitoring and Portfolio Management divisions at ORIX, and led the listing and fund-raising transaction for AMZ's venture capital company.

At Arkaan, she was part of the core team in 2007-8 for structuring, developing and marketing an energy fund, in partnership with Credit Suisse. She also established a Distressed Assets Fund for a company in the UAE in 2014.

She was also part of the Executive Management Team at Smith International Securities, ORIX, Pak Kuwait, AMZ Group and AJM Pharma, which was responsible for Corporate Planning, policy matters, formulation of future strategies and human resource development for the said companies. Due to her background, especially in the financial sector, she is well qualified, and has the relevant experience to play an effective role as a member of the Board of Directors of a bank / financial institution in Pakistan.

While Fauzia is confident that she would be able to play an effective role in any organization which she becomes a part of, the areas where she feels that she would be able to add considerable value are Corporate Finance, Credit / Risk, Private Equity, Venture Capital and Strategy. She has already played a significant role in Corporate Finance and Private Equity in her previous assignments, and has also been actively involved in establishing new divisions and/or corporate entities within or on behalf of the companies where she has worked, either individually, or by leading a team.

Fauzia has always had an excellent rapport with the teams that she has led, and has encouraged the ones who show initiative to take leadership roles. She has additionally structured and developed numerous deals for project or transaction financing, conducted successful negotiations on behalf of her employers and corporate clients, and has abundant experience with regard to trouble shooting and handling of difficult or complicated situations.

Fauzia's major strengths include integrity and professionalism, both of which have stood her in good stead over the course of her career.



Our Vision, Mission, Culture and Core Values

Vision

To be the textile manufacturer of the first choice for customers at home and abroad, doggedly pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country’s exports

Mission

Our mission is to manage a textile business entity aimed at producing quality yarns through innovative technology and effective resource management, maintaining high ethical and professional standards, and coming up to the expectations of all our customers.

We persevere to achieve the highest possible operating efficiencies and lowest costs and expand the business through selective expansion so that we are able to deliver maximum value to stakeholders.

Culture

GTML embraces a culture that is driven by a people-oriented approach and empowers a collaborative environment for employees. The management is committed in promoting a coherent culture and facilitating effective teamwork at the workplace; thus, our strong belief in cultivating open communication is reflected in all that we do.

Frequent feedback and performance evaluation on various levels are ensured to sustain equity and transparency of employees, which supplement mutual trust and respect among employees and with management.

Core Values



Total Quality Management
To maintain the quality throughout the value chain



Ethical Practices
To synergize and promote equity among all stakeholders.



Environmentally Conscious
To cover the maximum aspects of sustainability and corporate social responsibility.



Innovation
To build and enhance the future of innovation within the industry.

Business Conduct and Code of Ethics

Statement of Intent

The Company ensures that high ethical standards are maintained and observed in the conduct of its business functions. The Code of Conduct policy has been devised to provide direction to the Company’s employees on meeting the standards of professional and personal integrity and guiding them towards proficient conduct. The Human Resources department serves its purpose of ensuring that the employees are well aware of the guidelines.

The following are the salient features of the Code of Conduct:



Compliance with Laws and Regulations

Each employee must comply with all the applicable laws and regulations. Further, it is also imperative to ensure that the rights of all stakeholders are being protected.



Conflict of Interest

Employees are required to avoid engaging in activities that conflict with the company's best interest. In case an employee or their close relatives are suppliers or competitors of the company, it shall be disclosed upon the date of joining, as it might result in a situation of conflict of interest. In pursuit of the sustainable goal of peace, justice, and strong institutions, GTML strongly condemns the abuse of power to achieve any form of self-interest.



Anti-Bribery and Anti-Corruption

Employees are required to conduct business operations fairly and honestly to maintain the company's integrity and reputation. Involvement in acts of bribery or corruption for business or financial gain is prohibited and must be reported.

The company does not associate itself or is involved with any political party. Thereby, all employees are instructed to refrain from utilizing the assets of the company in indulgence and appearance for any political activities by any means.



Confidentiality

Confidential information must not be disclosed to unauthorized personnel or used for personal benefit by the employees. Disclosure of sensitive data is permissible in the provision of written approval from authorized individuals or the court, regulatory body, or governmental agency that requires the information. Confidentiality of the Company information shall be adhered to throughout the employment period and even after leaving the company.



Property Protection

The company expects its employees to abide by the law and refrain from embezzling its property, including both tangible and intangible assets, entrusted to them and to handle them responsibly.



Fair and Respectful Workplace

Providing a positive work environment for its employees is the utmost priority. The company has high intolerance for disrespect, gender discrimination, favoritism, harassment, and misuse of authority. GTML is an equal-opportunity employer and encourages diversity and gender equality in the workforce.

The company expects its employees to uphold similar principles while conducting business functions professionally, as they represent the company.



Health, Safety, and Environment

Ensuring the health and safety of its employees and environmental Protection is the focus of GTML. In this regard, the company has adopted measures to offer a safe working environment and minimize its environmental impact.

The possession of firearms or other weapons or any other dangerous or illegal articles on Company premises or while on Company business, except employment/job requirement in the Company operations, is strictly prohibited.



Quality Assurance

Product quality is the core focus of GTML. The company is committed to discovering, developing, and manufacturing high-quality products without compromising on the contractual or agreed quality of the product.



Separation from the Company's Employment

Employees must ensure that, upon leaving the company's employment for any reason, they hand over the charge and all Company belongings to the satisfaction of management. All the material, electronic equipment, computer and accessories, mobile set and SIM card, soft or hard copies of Company documents, or any other Company information or property in any shape or form is returned.

Beneficial Ownership - Group Shareholding



Group Profile



About YBG

The Yunus Brothers Group (YBG) stands as one of Pakistan’s most prominent and diversified industrial conglomerates. With a legacy spanning over six decades, YBG has played a transformative role in shaping the country’s industrial landscape.

The group operates across a wide range of sectors including textiles, cement, building materials, real estate, power generation, automobiles, electronics, FMCG, entertainment, pharmaceuticals, chemicals, agricultural sciences, financial institutions, and philanthropy. Beyond its business achievements, YBG is deeply committed to social impact, with significant contributions in healthcare and education through its philanthropic endeavors.

This enduring commitment to innovation, excellence, and nation-building cements YBG’s reputation as a trusted leader in Pakistan’s economic development.



YB Holdings (Private) Limited (YBHPL)

Under the umbrella of the renowned Yunus Brothers Group (YBG), a significant force in Pakistan’s export sector, principally engaged in the textile export business, renewable power generation and real estate sectors, Y.B. Holdings (Private) Limited was incorporated in Pakistan on August 16, 2013, as a private company limited by shares under the Companies Ordinance, 1984.

To lead Pakistan’s corporate landscape with sector diversity and a focus on forward and backward integration, aiming to become the nation’s top exporter.

We seize opportunities, take calculated risks, and drive growth across sectors, fostering economic expansion while prioritizing environmental sustainability.



Associates



Lucky Core Industries Limited (LCIL)
Formerly ICI Pakistan Limited
Lucky Core Industries Limited (LCI), a publicly listed Company incorporated in Pakistan, is a dynamic and diversified organisation that manufactures and trades essential products, supporting almost every sector of the economy. Reflective of its mission, the Company works towards improving lives across the socio-economic fabric of Pakistan. With a rich legacy spanning over eight decades, the Company’s origin predates the formation of Pakistan itself. Commencing operations from a small trading concern with a single manufacturing unit located in Khewra, the Company has transformed over the decades into one of the largest industrial conglomerates in the country.

LCI became a part of the Yunus Brothers Group (YBG) in 2012, following the sale by ICI Omicron B.V. of its shareholding in the Company. Established as a trading house in 1962, YBG has transitioned into one of the fastest growing and most prolific conglomerates in the country, with diversified interests in cement, textiles, chemicals, real estate, power generation and automobiles.

LCI’s operational strength lies in its diversified business portfolio, with each segment playing a vital role in advancing economic development and social well-being. The Soda Ash Business is a key domestic producer of high-quality soda ash, supplying essential raw materials to industries such as glass, detergents, and textiles.

The Polyester Business manufactures polyester staple fibre, providing critical input for yarn and fabric production in the textile sector. The Pharmaceuticals Business focuses on delivering trusted, high-quality healthcare products to meet a range of medical needs.

The Animal Health Business offers veterinary solutions aimed at improving the health and productivity of livestock and poultry. Lastly, the Chemicals & Agri Sciences Business supports industrial and agricultural sectors by supplying industrial chemicals, crop protection, and plant nutrition products tailored to evolving market requirements. In addition to its strong domestic presence, LCI maintains a growing international footprint through its export operations. LCI’s commitment to quality, innovation, and reliability has enabled it to serve customers across diverse global markets. GTML holds 7.21% ownership in LCI.



Lucky Holdings Limited (LHL)
LHL is a subsidiary of Lucky Cement Limited (LCL) and was incorporated in Pakistan in the year 2012 as a public unlisted company limited by shares under the Companies Ordinance, 1984. LCL holds 75% shares of LHL. GTML holds 1.00% ownership in LHL.



Yunus Energy Limited (YEL)
YEL was incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a public unlisted company, in the year 2011, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta.

The project is equipped with state-of-the-art European technology. Wind Turbine Generators (WTGs) have been manufactured by Nordex Energy Germany, one of the top WTG manufacturers from Europe; electrical balance of plants has been supplied by Alstom France, a leading grid solution provider; whereas construction activities have been carried out by Descon Engineering Limited, the leading construction, and engineering company of Pakistan.

It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions. The project is supplying electricity to the national grid regularly post commencing commercial operations in September 2016.

The project is financed by a consortium of local lenders. The local Lender consortium comprises of Habib Bank Limited (HBL) (Lead bank), United Bank Limited (UBL), Allied Bank Limited (ABL), Bank Al-Habib Limited (BAHL), The Bank of Punjab (BOP) and Soneri Bank Limited (SBL). Gadoon Textile Mills Limited (GTML) holds 19.99% ownership in YEL.

Associated Companies



Aziz Tabba Foundation (ATF)
Established in 1987, Aziz Tabba Foundation (ATF) is a Not-for-profit organization dedicated to improving lives through its commitment to Hope, Healing, and Human Development. Guided by the principles of compassion, responsibility, and sustainable impact, the Foundation delivers meaningful interventions that enhance the quality of life for underserved communities.

Under its Hope pillar, ATF provides support to vulnerable families through assistance for ration, housing, shelter, and marriage, helping restore dignity and improve socio-economic stability. Through Healing, the Foundation expands access to quality healthcare by supporting charitable medical initiatives and advanced healthcare institutions, ensuring that financial constraints do not prevent individuals from receiving essential medical care. Recognizing education as a catalyst for long-term social progress, ATF's Human Development initiatives focus on scholarships, educational assistance, vocational training, and skill development programs that empower individuals to achieve self-reliance and contribute positively to society.

Operating as a non-commercial, non-political, and non-denominational organization, ATF remains committed to creating sustainable social impact by empowering individuals, strengthening communities, and fostering inclusive development.



Lucky Motor Corporation Limited (LMCL)
Lucky Motor Corporation Limited (LMC), a subsidiary of Lucky Cement Limited (LCL) has completed seven years of CKD operations in June, 2026. The Company has been structured into three business divisions, namely, Automotive, Auto-Parts and Electronics.

The Automotive Division is engaged in the assembly, marketing, distribution, and sale of Kia and Peugeot branded vehicles, as well as the import, marketing, distribution, and sale of GAC, AION, and HYPTEC branded vehicles, together with related parts, accessories, and aftersales services in Pakistan. LMC maintains a technical collaboration with Kia Corporation, a member of the Hyundai Motor Group, which is South Korea’s 2nd largest business group "Hyundai Motor Group" and the

world's 3rd largest automobile group, and Peugeot which is part of the Stellantis Group, which is the world's 4th Largest Automobile Group. In addition, LMC serves as the authorized distributor of GAC, AION, and HYPTEC vehicles in Pakistan, brands owned by Guangzhou Automobile Group Co., Ltd. (GAC Group), which is amongst the top 5 Automotive players in China.

The Auto-Parts Division was established primarily with the objective of achieving localization of auto parts for locally assembled Kia and Peugeot models. The Electronics Division was formed in July 2021 as an outcome of an agreement signed with Samsung Gulf Electronics FZE for assembling Samsung brand mobile phones in Pakistan.

LMC is distinct in terms of its operations and portfolio diversification and is creating substantial value for its shareholders.



Lucky Air (Private) Limited (LAPL)
LAPL was incorporated in Pakistan in the year 2012 as a private company limited by shares. The Company operates an LCL aircraft and provides services for crew management, as well as technical and engineering support, on both inbound and outbound flights.



Lucky Cement Limited (LCL)
Founded in 1993, Lucky Cement Limited is the flagship company of the Yunus Brothers Group (YBG). As the largest cement producer in Pakistan, with an annual production capacity of 15.30 million tons, the company has firmly established its leadership in the industry. Lucky Cement is also one of the country’s top exporters of high-quality cement, having exported over 3 million tons by sea during the current year, the highest volume ever exported by a Pakistani cement manufacturer via sea. It is listed on the Pakistan Stock Exchange (PSX) and holds the distinction of being Pakistan’s first Shariah-compliant company, certified by the Securities and Exchange Commission of Pakistan (SECP).

Over the years, Lucky Cement has witnessed exceptional growth. It operates two strategically located production facilities, one in Karachi serving the southern market, and another in Pezu, Khyber Pakhtunkhwa catering to the northern region. Internationally, the company has

strengthened its presence with two joint venture cement manufacturing facilities in Iraq, enhancing regional capacity and market share, and one joint venture facility in the Democratic Republic of Congo. Notably, Lucky Cement was the first company in Pakistan to export significant volumes of loose cement, supported by dedicated silos located at port premises. Its proprietary loading and storage terminal at Karachi Port further ensures a seamless and reliable export process, setting it apart from other cement manufacturers.

Aiming to remain an efficient and low-cost producer, Lucky Cement has pioneered the adoption of advanced energy and sustainability initiatives. These include the installation of Waste Heat Recovery Systems (WHRS), a 74.3 MW solar power plant, a 28.8 MW wind power facility, the largest in the industry as well as Refuse Derived Fuel (RDF) and Tyre Derived Fuel (TDF) plants. The company also operates a self-sufficient 214 MW captive power generation facility, which contributes surplus electricity to the national grid. To support its extensive logistics network, Lucky Cement owns a fleet of bulkers and trailers, ensuring timely and cost-effective deliveries across Pakistan.

Sustainability is deeply embedded in Lucky Cement’s core values. The company remains focused on the responsible use of natural resources, reducing its environmental footprint while enhancing operational efficiency. All of its eco-efficient initiatives are aligned with the United Nations Sustainable Development Goals (SDGs) 2030, reflecting a firm commitment to creating a positive and lasting impact on the environment and society.

In addition to its leadership in cement manufacturing across Pakistan, Iraq, and the DRC, Lucky Cement has evolved into a diversified conglomerate with strategic investments in high-growth sectors such as chemicals, automobiles, mobile phone manufacturing, power generation, and mineral exploration—particularly copper and gold mining in Balochistan, a venture that holds significant promise for Pakistan’s economic future. Guided by a long-term strategy focused on diversification and value creation, the management is committed to taking Lucky Cement to new heights by exploring transformative ventures that aim to strengthen the company’s future and enhance shareholder value.

Today, Lucky Cement operates as part of a large and diversified business group with direct and indirect investments in a wide range of companies across various industries which includes the following:

- Lucky Electric Power Company Limited
- Lucky Core Industries Limited
- Lucky Core Powergen Limited
- Lucky Core Ventures (Private) Limited
- NutriCo Morinaga (Private) Limited
- NutriCo International (Private) Limited
- Lucky Motor Corporation Limited
- LCL Investment Holdings Limited
- Lucky Al Shumookh Holdings Limited (LASHL)
- Al Mabrookah Cement Manufacturing Company Limited
- Al Shumookh Lucky Investments Limited (ASLIL)
- Najmat Al-Samawah Company for Cement Industry
- Lucky Rawji Holdings Limited
- Nyumba Ya Akiba S. A. (NYA)
- LR International General Trading FZCO
- Lucky Holdings Limited
- Yunus Energy Limited
- National Resources (Private) Limited
- Lucky TG (Private) Limited



Lucky Commodities (Private) Limited (LCPL)

Lucky Commodities (Private) Limited (LCPL) is a trading arm of YBG and is the leading supplier of Coal in Pakistan. LCPL aims to be the preferred supplier for customers by conducting business with integrity, unparalleled services and professionalism. Pakistan currently is faces a severe shortage of electricity with the Government’s initiative and the execution of coal fired power plants in the country, many industries in Pakistan are moving towards coal as their first priority for electricity and steam generation. As the largest supplier of coal in Pakistan, LCPL makes an important contribution to the industrial sector by fulfilling their coal requirements. LCPL is currently one of the largest importers of all types of Coal in Pakistan and at present catering to a significant portion of the country’s coal requirement. Being part of the largest business conglomerate of Pakistan, LCPL has strong market presence, which supports the company to build up a network of high-profile clients, which include power, chemical, textile, steel and other major manufacturing industries.



Lucky Investments

Lucky Investments Limited (LIL)

Lucky Investments Limited is one of Pakistan’s fastest-growing Islamic Asset Management Companies and a subsidiary of YB Pakistan Limited, part of the YB (Lucky) Group. Established on December 13, 2024, the Company provides innovative, fully Shariah-compliant investment,

pension and financial advisory solutions for retail, corporate and institutional investors.

Led by Mohammad Shoaib, CFA, Co-Founder & CEO and a pioneer of Pakistan’s Islamic asset management industry with over 35 years of capital market experience, Lucky Investments combines experienced leadership, strong governance and disciplined investment processes with technology-driven customer solutions.

Within its first year of operations, the Company surpassed Rs.126 billion in Assets Under Management (AUM), capturing approximately 6% of Pakistan’s Islamic asset management industry and 3% of the overall asset management industry, making it one of the fastest-growing asset managers.

During the same period, PACRA upgraded the Company’s Asset Manager Rating twice—from AM2 (Positive) to AM2++ (Stable)—reflecting its financial strength, governance standards and growing market confidence.

Lucky Investments offers investment solutions across all investable asset classes through the following funds, along with customized solutions through separately managed accounts:

S.No	Name of Fund	Category of Fund	Risk Rating
1	Lucky Islamic Money Market Fund	Money Market	Low
2	Lucky Islamic Cash Fund	Money Market	Low
3	Lucky Islamic Income Fund	Income	Medium
4	Lucky Islamic Fixed Return Fund	Fixed return	Low to Medium
5	Lucky Islamic Stock Fund	Equity	High
6	Lucky Islamic Energy Fund	Equity	High
7	Lucky Islamic Dividend Yield Fund	Equity	High
8	Lucky Islamic Pension Fund	Pension	Low to High

In addition, Lucky Investments has also launched Lucky Islamic Punjab Pension Fund and is also working with other provincial and federal governments to launch dedicated pension funds.

Recognized as the Emerging Islamic Finance Entity of the Year – South Asia at the IFFSA Conference & Awards 2025 and guided by renowned Shariah Advisor Mufti Muhammad Hassaan Kaleem, Lucky Investments remains committed to expanding Islamic financial inclusion through digital investing with the Lucky Funds mobile application and nationwide client servicing through its Karachi head office and branches in Lahore and Islamabad.



Lucky Electric Power Company

Lucky Electric Power Company Limited (LEPCL)

Lucky Electric Power Company Limited (LEPCL) is a 660 MW supercritical coal-fired power plant located in Bin Qasim, Karachi. The plant commenced commercial operations on March 21, 2022, and supplies electricity to the national grid under a long-term Power Purchase Agreement (PPA) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). Designed for long-term utilization of indigenous Thar lignite, LEPCL represents the first Thar coal-based power project established outside the Thar region.

The plant employs advanced technology, which enhances thermal efficiency and supports emissions control. To ensure full environmental compliance, LEPCL incorporates integrated systems including Electrostatic Precipitators (ESP), NOx control mechanisms, and Flue Gas Desulfurization (FGD) units.

Aligned with its sustainability commitment, LEPCL utilizes seawater for its cooling requirements, thereby conserving freshwater resources. The transition to indigenous fuel is progressing as the Sindh Engro Coal Mining Company (SECMC) has commenced its Phase-III mine expansion (dedicated for LEPCL), with coal deliveries ramping up through the third quarter of 2026. Concurrently, LEPCL is navigating the structural transition of its coal logistics from road transport to the upcoming Thar Rail Link network. This fuel and logistical evolution is designed to enhance energy affordability, reduce foreign exchange exposure, and strengthen the country’s long-term energy security.



Lucky Energy (Private) Limited (LEPL)

Lucky Energy (Private) Limited (LEPL), a government-licensed Small Power Producer (SPP) regulated by the National Electric Power Regulatory Authority (NEPRA) of Pakistan, was incorporated in July 1993 and operates as a captive power plant under the Yunus Brothers Group. The Company is a gas-based thermal power producer with an installed generation capacity of 56.575 MW, providing reliable and uninterrupted electricity to the Group’s textile manufacturing companies.

In line with its commitment to sustainability and energy diversification, LEPL successfully commissioned 15 MW of wind power during FY 2026, including Pakistan’s first 7.5 MW

HH130 wind turbine, along with 1.12 MW of solar power. These renewable energy initiatives contribute to reducing the Company's reliance on fossil fuels, enhancing energy efficiency, lowering carbon emissions, and supporting a more sustainable energy mix, thereby delivering long-term environmental and economic benefits to both the Company and the Yunus Brothers Group.



Lucky Entertainment (Private) Limited (LEL)

Established in 2016, Onederland has grown to become Pakistan's largest and most iconic Family Entertainment Center, spreading Screams of Happiness to families across the nation. Located in Karachi, our expansive two-story facility spans 45,000 square feet and features over 80 attractions designed to deliver safe, thrilling, and unforgettable experiences for guests of all ages.

Our state-of-the-art venue offers an exciting mix of high-adrenaline rides, including the award-winning Spinning Roller Coaster, Maverick, Twist & Swing, and Drop Tower, alongside immersive virtual reality experiences, sports attractions, and an extensive arcade zone. In 2025, we further strengthened our position as a pioneer in family entertainment with the introduction of BatOne, a cutting-edge cricket simulator that brings Pakistan's favorite sport to life through an engaging and interactive digital experience.

We have also recently revamped our Soft Play and Toddlers Area, creating an even safer and more enjoyable environment for our youngest visitors and their families. Inclusivity remains at the heart of everything we do. At Onederland, we strive to ensure that every guest, regardless of age, gender, or socio-economic background, feels welcome and valued. Our commitment to the education sector continues to grow year after year. During 2025–2026, we proudly welcomed more than 21,000 students through organized school visits, providing them with a safe, supervised, and engaging environment where learning and recreation go hand in hand. This achievement reflects the trust placed in us by educational institutions across the city and our dedication to creating meaningful experiences beyond entertainment. As we look to the future, Onederland remains committed to innovation, sustainability, and delivering exceptional guest experiences. Through curated packages, year-round activations, and a focus on continuous improvement, we aim not only to entertain but also to

create lasting memories for every guest who walks through our doors. At Onederland, happiness isn't just an experience, it's a promise. Join us as we continue to reimagine fun, one scream at a time.



Lucky Exim (Private) Limited (LEXL)

Lucky Exim, an indenting arm of (YBG), is the largest indenter of all types of Coal in Pakistan. Lucky Exim is the preferred supplier of customers as the business is conducted with integrity, unparalleled service and professionalism. Therefore, customers are provided with premium coal that offers the best value for money without compromise on quality. With an initial focus on coal trading, the company plans to diversify its trade activities to various energy and dry bulk commodities.



Lucky Foods (Private) Limited (LFPL)

Lucky Foods (Private) Limited has a strategic aim to be one of the leading corporate dairy farms in Pakistan. The company currently operates in production of wide range of dairy products in milk and yogurt and thrive to provide hygiene-quality products all across Pakistan. The Company aims to become a leading player in food-related products, across the Country by ensuring high standards of products and services to its consumers.



Lucky Knits (Private) Limited (LKL)

Lucky Knits (Private) Limited (LKL) commenced operations in 2005 and has established itself as one of Pakistan's leading apparel manufacturers and exporters. Based in Karachi, the company operates a strategically integrated manufacturing facility encompassing cutting, printing, stitching, and packing operations under one roof. LKL specializes in the manufacture and export of a diverse range of knitted garments, including T-shirts, polo shirts, hoodies, jackets, shorts, and trousers. With its integrated production capabilities and a strong focus on operational excellence, the company has developed robust quality control and inspection systems to ensure that its products consistently meet international standards and customer expectations.



Lucky Landmark (Private) Limited (LLPL)

Lucky Landmark (Private) Limited situated in the heart of the city, the LuckyOne Mall opened its doors to the public on 6th May 2017. One of the largest malls in Pakistan, with more than 200 retail and F&B brands,

LuckyOne Mall provides an unprecedented retail space that includes a Health & Wellness Avenue, a Wedding Galleria, a Banking Enclave, and a Food Court. Having the largest in-mall Carrefour and the biggest Atrium in Pakistan under its name, LuckyOne Mall is the first in the industry to have a co-working space, an international standard family entertainment center (FEC) Onederland, and the largest in-mall fitness club, TriFit, having state-of-the-art equipment and staffed by international trainers.

LuckyOne Mall has always been at the forefront of satisfying its customers by all means.

To further facilitate the customers, it offers a dedicated baby feeding room, the largest male praying area in the country, a dedicated female praying area, free wheelchairs, valet parking, and a double-story indoor parking space sufficient for around 1500 cars.

To ensure a safe and secure environment, a fully trained and well-equipped staff is available to deal with any unforeseen event. Recognized for providing an ultimate shopping experience, LuckyOne Mall continues to expand, renovate, and offer an innovative and engaging experience to its audience making it the place to be trendy, happy, entertained, foodie, and the place to be YOU!

Lucky One Apartments is a magnificent, multifaceted, first-of-its-kind high-end residential complex that will revolutionize the luxury living experience in Pakistan.

The project currently comprises four residential towers, with two completed and two under construction. Conveniently situated at the prime location of Karachi on main Rashid Minhas Road, opposite UBL Sports Complex, the apartments are easily accessible through major Flyovers of Karachi.

The unbeatable mix of top-class luxury apartments and high-end amenities like Swimming Pool, Gymnasium, Jogging Track, Tennis Court, Event Hall, Prayer Area and Play areas will make LuckyOne Apartments the premiere lifestyle destination for urban living in Karachi.



Lucky Textile Mills Limited (LTML)

Lucky Textile Mills Limited, a leading textile manufacturer in the country since 1983, primarily focuses on the manufacturing and export of top-notch quality fabrics, home textiles, and garments, reflecting its commitment to excellence. With two cutting-edge weaving mills, it has an impressive fleet of 200 Sulzer Shuttle-less looms and 564 Air Jet looms, all equipped with state-of-the-art computerized processes featuring Karlmayer warping and sizing machines.

The Company can process 96 million meters per annum of fabric. Further LTML has its power generation facility at one of its manufacturing units. The stitching division is equipped with sophisticated high-tech machines that can stitch fabrics and transform them into home textiles as well as apparel products with a high degree of precision. Stitching machines include an automated Texpa plant as well.

In pursuit of its vision to become a vertically integrated setup, Lucky Textile Mills Limited has successfully established its own Spinning Unit. The initial phase involved the import of 27 Murata Vortex Spinning (MVS) machines and 09 Saurer Automatic Rotor Spinning Machines, all of which are fully operational. As part of its continuous pursuit to become a “Preferred Employer”, the company is undertaking a transformative journey to align the company structure with market dynamics, showcasing dedication to policy standardization and the implementation of best practices across the organization. Emphasizing diversity and inclusion, Lucky Textile Mills Limited fosters an inclusive work environment that encourages innovation and collaboration.

To contribute to a sustainable future, the company is transitioning from manual to automated mechanisms, steadily reducing paper consumption. Moreover, recognizing the significance of energy conservation and sustainability, the company has installed a Solar Renewable Energy plant with a cumulative capacity of 20 MWs. LTML is actively promoting green climate practices, protecting biodiversity, and utilizing energy conservation resources, emphasizing on its commitment to a greener future.

With unwavering dedication, state-of-the-art facilities, and a continuous drive for improvement, Lucky Textile Mills Limited is poised to remain at the forefront of the textile industry.

As the company continues to set new benchmarks, it reaffirms its commitment to excellence and anticipates a future of sustained success in the ever-evolving textile sector.



Tabba Heart Institute (THI)

Established in 2005, Tabba Heart Institute (THI) is one of Pakistan's leading tertiary care cardiac hospitals, providing comprehensive, evidence-based cardiovascular services ranging from prevention and diagnostics to advanced interventions, cardiac surgery, rehabilitation, and emergency cardiac care. Supported by state-of-the-art technology and a multidisciplinary team of healthcare professionals, the Institute remains committed to delivering exceptional patient outcomes.

Under the leadership of Ms. Mariam Tabba Khan, Chief Executive Officer, THI continues to advance excellence in patient care, medical education, research, and quality improvement while aligning its practices with internationally recognized clinical and quality standards.

THI is the first and only hospital in Pakistan to receive the American College of Cardiology's National Cardiovascular Data Registry (NCDR) Platinum Performance Achievement Award for six consecutive years, recognizing sustained excellence in the treatment of heart attack patients through adherence to international evidence-based standards. The Institute also maintains certifications for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, reflecting its commitment to quality, environmental responsibility, and occupational health and safety.

Extending its impact beyond the flagship hospital, THI operates a network of medical centres and outreach clinics while partnering with over 60 corporate organizations to deliver specialized healthcare services. The Institute also plays a significant role in developing future healthcare professionals through postgraduate training, nursing education, allied health sciences, continuing medical education, and research initiatives, including the landmark PAK SEHAT Study.

Through its Muawin Program, THI provides financial assistance to deserving patients requiring life-saving cardiac treatment, while its International Council of Cardiovascular Prevention and Rehabilitation (ICCPR) recognized Cardiac Rehabilitation Program reflects its commitment to improving long-term patient outcomes. Today, Tabba Heart Institute continues to set benchmarks in cardiovascular healthcare through clinical excellence, innovation, research, education, and compassionate care, reinforcing its position as one of Pakistan's premier cardiac institutions.



Tabba Kidney Institute (TKI)

Established in May 1995 as Aziz Tabba Kidney Center with six dialysis machines, Tabba Kidney Institute (TKI) has evolved into a leading not-for-profit renal care institution in Pakistan. In 2016, the organization was renamed Tabba Kidney Institute and relocated to its current state-of-the-art, purpose-built 100-bed facility, designed to provide comprehensive and specialized care for patients with kidney diseases.

TKI is dedicated to delivering high-quality renal healthcare and dialysis services, with a particular focus on patients from underprivileged segments of society. Its mission is to ensure that individuals suffering from chronic kidney disease receive timely, safe, and quality treatment irrespective of their financial circumstances. Beyond patient care, Tabba Kidney Institute is committed to advancing medical education and professional development. It is recognized by the Pakistan Medical & Dental Council (PM&DC) as a teaching institution and is an approved postgraduate medical education center of the College of Physicians and Surgeons Pakistan (CPSP), offering postgraduate training programmes in Nephrology and Urology.

The Institute maintains a strong commitment to quality and patient safety, demonstrated by its ISO 9001:2015 certification and licensing compliance with the Sindh Healthcare Commission.



Tabba Microfinance (TMF)

Tabba Microfinance (TMF), an initiative of Aziz Tabba Foundation, promotes financial inclusion through interest-free microfinance, enabling underserved individuals and micro-entrepreneurs to establish or expand small businesses and achieve sustainable livelihoods.

With branches in Orangi Town, Baldia Town, and Korangi, TMF has strengthened access to responsible financing across Karachi. The initiative operates through a fully digitalized platform supported by NADRA biometric verification, ensuring secure, transparent, and efficient service delivery.

Loan disbursements are facilitated through Cash Over Counter (COC) services, while repayments are processed via ILINK in collaboration with Meezan Bank Limited. Solar-powered branch operations further reflect TMF's commitment to environmental sustainability and operational efficiency.

Women represent approximately 40% of TMF's applicants, underscoring the initiative's role in advancing women's economic participation and entrepreneurship through accessible, interest-free financing. Within just 18 months, TMF has built a financing portfolio of approximately PKR 32 million while maintaining a 100% recovery rate, demonstrating strong governance, prudent risk management, and the trust of the communities it serves. Through innovation, responsible financing, and a people-centered approach, Tabba Microfinance continues to promote entrepreneurship, financial resilience, and sustainable economic empowerment, reinforcing Aziz Tabba Foundation's mission of creating lasting social impact.



Lucky Renewables (Private) Limited (LRPL) Formerly Tricom Wind Power (Private) Limited

LRPL is another step of YBG towards sustainable green energy, incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a private limited company, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta.

The project is equipped with state-of-the-art WTG, manufactured by Siemens Gamesa China; the electrical balance of plants has been supplied by various recognized vendors; whereas construction activities have been carried out by Hydro China International Engineering Company Limited and Orient Energy Systems (Private) Limited. The project is financed by a consortium of local and foreign lenders. The local lender consortium comprises Bank Al-Habib Limited and Allied Bank Limited. Foreign financing has been secured from International Finance Corporation. The company achieved its financial close on November 18, 2019, and started commercial operations in September 2021. It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions.



Y.B. Pakistan Limited (YBPL)

Yunus Brothers (Y.B) began in 1962 as a partnership between Mr. Abdul Razzak Tabba and Mr. Muhammad Yunus Tabba, initially focused on trading grey cloth. Over time, the business expanded into other commodities such as wheat, rice, corn, and pulses. In 2012, the partnership was restructured into a public limited company—Y.B. Pakistan Limited—to foster a more corporate and diversified operational structure. Y.B. Pakistan Limited is positioned as a strategic investment company with a robust and diversified portfolio across multiple asset classes and sectors. The company holds long-term investments in various group associates, together with a 70% stake in Lucky Investments Limited which strengthens its presence in Islamic money and capital markets. It also maintains short-term investments in listed equity securities and the capital market, as well as substantial stakes in real estate ventures including Ocean Mall and SILK Gardens.

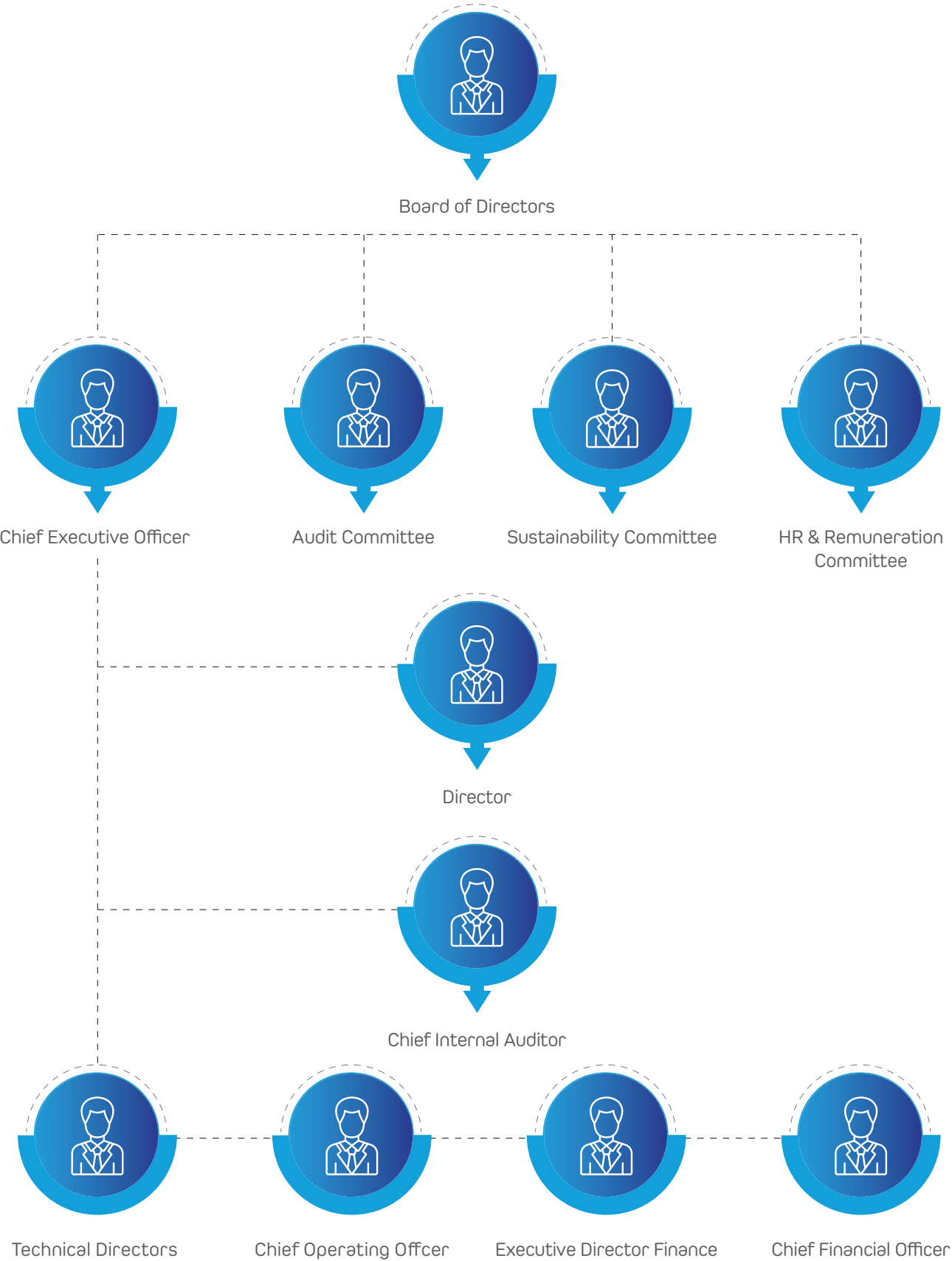


Yunus Textile Mills Limited (YTML)

YTML is a vertically integrated home textile unit established in 1998, consisting of spinning, weaving, dyeing, printing, finishing, and cutting & sewing. In a span of 10 years, it became the number 1 home textile exporter of Pakistan with a 10% share (approx.) of all home textiles exported from Pakistan. The company has its international warehousing, distribution, and design development offices in USA, and France.



Organizational Chart



Senior Management

Head Office

Mr. Muhammad Sohail Tabba
Chief Executive Officer

Mr. Abdul Sattar Abdullah
Executive Director Finance

Mr. Imroz Iqbal
Chief Operating Officer

Mr. Muhammad Imran Moten
Chief Financial Officer

Mr. Haji Muhammad Mundia
Chief Internal Auditor

Mr. Salman Lakhani
Director Procurement

Mr. Asif Rafique
Director IT

Mr. Ali Asim
Director HR

Mr. Fuad Bhuri
Company Secretary

Gadoon Amazai Plant

Mr. Waqar Ahmed Khan
Director Administration

Mr. M. Nadeem Riaz
Director Technical

Mr. Shafqat Mumtaz
Director Technical

Mr. Asad Ansari
Director Technical
Power Plant

Shahzad Ahmed Awan
Director Technical

Karachi Plant

Mr. Tahir Saleem
Executive Director Technical

Mr. Suleman Joya
Director Technical

Key Quantitative Information
The number of persons employed as on the date of financial statements and the average number of employees during the year, along with factory employees, is disclosed in note [X] of the financial statements..

Annual Performance Review

Despite a challenging business environment, the Company demonstrated resilient financial performance during the year. The gross profit margin improved, supported by effective production planning and efficient raw material procurement.

Furthermore, the reduction in policy rates contributed to lower finance costs. Consequently, the Company achieved a

9.89%
growth

in net profit during the year.

Among the Company’s associates, Yunus Energy Limited reported a **75.5% decline in profit**, while Lucky Core Industries Limited recorded a **9.43%** decrease in net profit during the year.

Performance Overview of Activities, Products, Services, and Segments

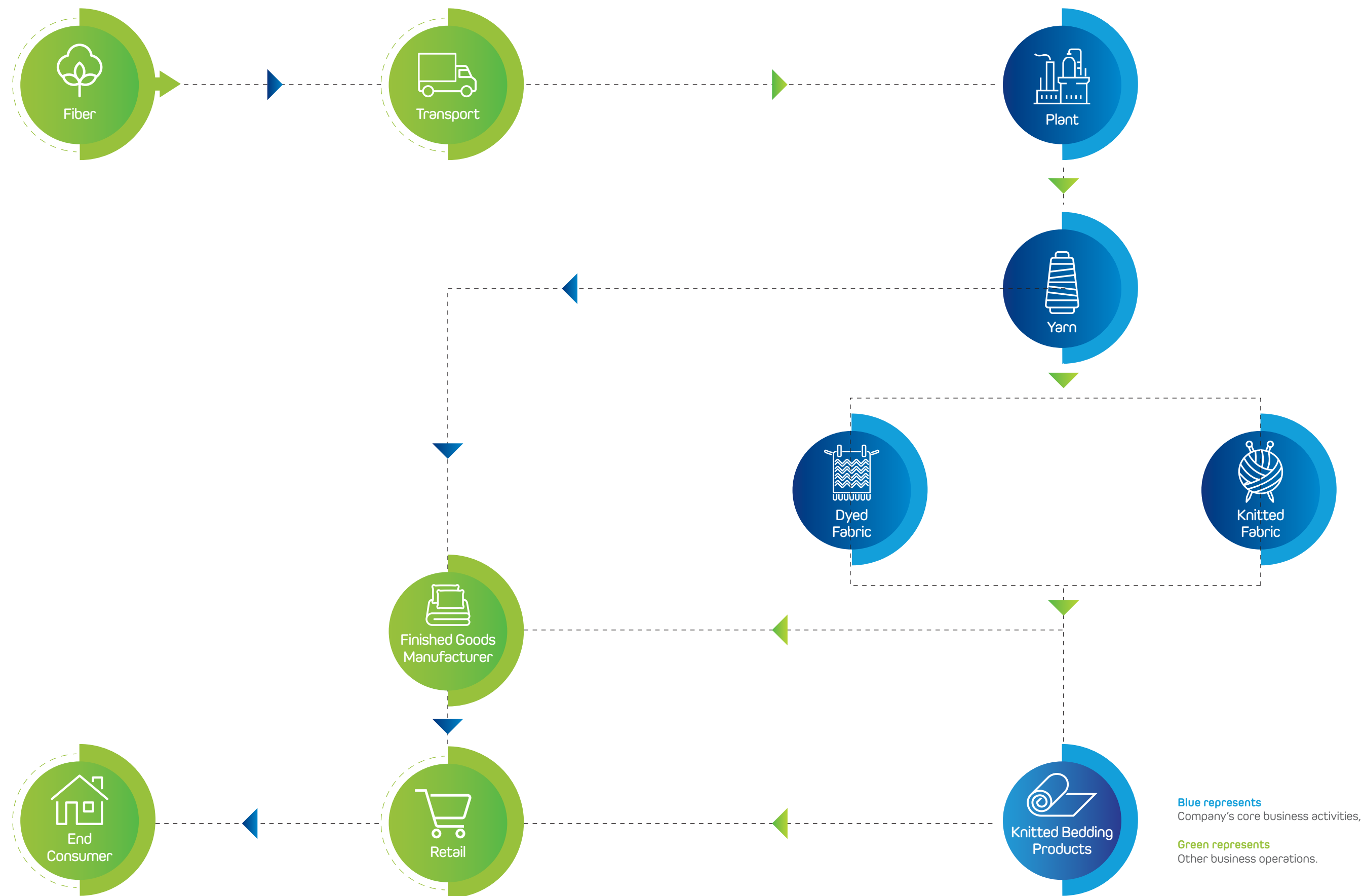
The Company’s business is primarily divided into two reportable segments i.e., yarn and knitted bedding products. Both segments demonstrated steady performance during the year, maintaining stable revenue streams despite a challenging operating environment. The improvement in net margins was primarily attributable to effective cost optimization measures, including tighter control over production expenses and a reduction in finance costs through prudent treasury management.

In addition, the Company executed a capital expenditure program amounting to Rs. 6.016 billion. A substantial portion of this investment was allocated to the installation of solar power plants, aimed at meeting a significant share of the Company’s energy requirements through renewable sources.

In parallel, the Company replaced outdated machinery with advanced, state-of-the-art technology, enhancing production efficiency, improving product quality, and reducing energy costs, thereby, delivering long-term value in the years ahead.



Value Chain Positioning



PESTLE Analysis

Significant factors affecting the external environment and organization’s response

Organizations are directly or indirectly affected by the external environment in which they operate. It is stated with certitude that companies cannot work in a vacuum or isolation from their surroundings.

The different elements of the external environment are discussed as follows:

Nature of Factors	Possible Impacts	Organization’s Response
Political	Unstable political conditions impede the growth of any economy. Frequent changes in Government policies affects the confidence level of the investors, and accordingly, overall business operations suffer.	• Consistent market analysis by the senior management and proactive planning to mitigate any unfavorable outcome on the Company’s business. • Proactive advocacy via industry associations to voice concerns and propose solutions. • Maintains open communication with stakeholders to build trust amid uncertainty.
Economic	Economic conditions have a direct impact on the Company’s performance. An adverse movement in the exchange rate, interest rates, inflation rate, etc. might negatively impact the business of the Company.	The Company actively monitors the economic factors and takes steps to minimize its negative impact. Some of the steps taken during the past couple of years are: • Conversion from foreign currency-denominated borrowings to local borrowings, and vice versa, owing to possible devaluation / appreciation of the currency or decrease / increase in interest rates. • Efficient cotton and other raw material procurement. • Investment in diversified avenues. • Diversification into value-added products and markets ensures resilience against macroeconomic pressures. • Cost reduction initiatives to control production and non-production related fixed costs.
Social	Being socially responsible is another significant factor of critical importance that adds to the Company’s performance levels. An Organization that does not play an active role for the welfare and betterment of society affects their customers, employees or other stakeholders.	• The Company not only participates diligently in the CSR activities but also encourages its employees to devote their time to the betterment and well-being of the society. In this respect, different activities are planned each year. • The Company significantly focuses on training and employment opportunities for the welfare of society and to ensure that the employees are equipped with recent developments and skills. • Donations have been made to support local NGOs under the vision of better education, health and empowerment. • The Company possesses a reliable reputation among the stakeholders in terms of CSR initiatives. • Promotes inclusive hiring and local job creation.
Technological	Technological developments and innovation determine the progression of an organization. Without technological developments and innovations, growth of the organization may be slowed down.	• In order to gain a competitive advantage, the Company regularly invests significant amounts on new technologically advanced machinery. This year CAPEX of Rs. 6.016 billion also contains a significant portion spent on technology advancement of machineries. • The Company also ensures participation of its senior management in various national / international exhibitions / training session, to acquaint them with the latest technology. • The Company’s technical management is committed to adopting latest trends of the industry for optimization of its operations in an effective manner.
Legal	Compliance with legal /regulatory requirements are necessary for the Company’s smooth operations. • The Company is liable to monitor the latest laws and regulations to stay ahead without facing any sort of legal complications in the future. • Certain penalties and legal action by regulators may raise the chance of any unfavorable conditions that harm the prestigious reputation of the Company.	• In addition to its professional team, the Company also hires lawyer / tax advisory services, on a need basis, to ensure compliance with all legal / regulatory requirements. • Dedicated legal and tax teams ensure compliance with SECP, EPD, FBR, and textile export laws. • Further, the Company’s operations are transparent and doesn’t have any history of violating laws or being penalized.
Environmental	Company activities have an impact on the environment in which they operate. Not giving due importance to the environmental laws may lead to reputational loss and legal repercussions. • Current climate conditions such as air pollution, water pollution and adverse global warming create a climact impact on the sustainable manufacturing of goods.	In addition to ensuring compliance with applicable environmental laws and regulations, the Company also takes additional steps regularly, few instances are: • Successfully installed Waste Heat Recovery Steam Generator (WHRSG) plant. This plant operates by transforming the engine’s heat and smoke into power that is used for further processes. • Installation of RO water plant within the premises of factory in order to provide the clean water and sanitation for the entire workforce. • Proper implementation of dry waste management plan to ensure the purpose of sustainable consumption and production. • To reduce carbon footprint Company has invested in a Solar system. • Company successfully installed Effluent Treatment Plant (ETP) mainly to recycle water. • Fully compliant with local & international environmental laws to support sustainable business practices.

Seasonality of Business

The Company’s operations are significantly shaped by seasonality, with both domestic and international factors influencing demand, procurement, and production cycles. Local sales peak during the fashion calendar, religious festivals, and wedding seasons, while exports follow global retail timelines such as Christmas, Easter, Black Friday, and summer sales. Procurement is aligned with seasonal apparel needs, and business performance is closely tied to the cotton crop cycle, affecting costs and supply.

To meet demand surges, the Company adjusts production schedules, inventory, workforce allocation, and cash flow planning, while mitigating risks by balancing domestic and export markets and strategically securing raw materials. Overall, the Company leverages seasonal variations as opportunities through proactive and sustainable planning.

Legal and Regulatory Environment

GTML in addition to fulfilling the requirement as laid under the various corporate and taxation laws, is also required to comply with listed Company’s requirements under PSX regulations and other relevant laws. Although the spinning industry is not a regulated industry, however, the Company has obtained various certifications, to adhere to the requirements as laid under those certifications. Further, the Company also has obtained respective certifications for its value-added segment. Moreover, the Company has its own power generation and is accordingly required to comply with rules and regulations of regulatory bodies including NEPRA.

Significant Changes from Prior Year

There were no significant changes within the organization (including business model) regarding the information disclosed in this section.

Awards and Achievements

- Awarded with Best Corporate Report Awards.
- Best Consumer Award.
- Business Excellence Award.
- Businessman of the Year Gold Medal Award
- Environment Excellence Award.
- SAFA Certificate of Merit for Best Corporate Report
- Secured First Place in National Finance Olympiad (NFO) 2016 organized by ICAP.
- Top 25 Companies for the Year Awards.
- Top Exporter (Foreign Exchange Earner) of the province.
- Top Line Exporters Award.
- Top Income Tax Payer of the Province (KPK).

Awards Received During the FY 2025-2026

Best Corporate Report Award

The Company believes in providing the stakeholders with a well-integrated corporate annual report and ensures the quality and transparency of information provided to them. Keeping in view, the Company’s best corporate reporting practices, the Company’s Annual Report for the year 2024 secured the second position in the Textile sector in the Best Corporate Report Award recognition ceremony jointly held by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

5th Annual Fire Safety Award – National Forum for Environment and Health (NFEH)

We are proud to share that Gadoon Textile Mills Limited has been honored with an award presented by the National Forum for Environment and Health (NFEH), recognizing our unwavering commitment to fire safety, emergency preparedness, and occupational health and safety.

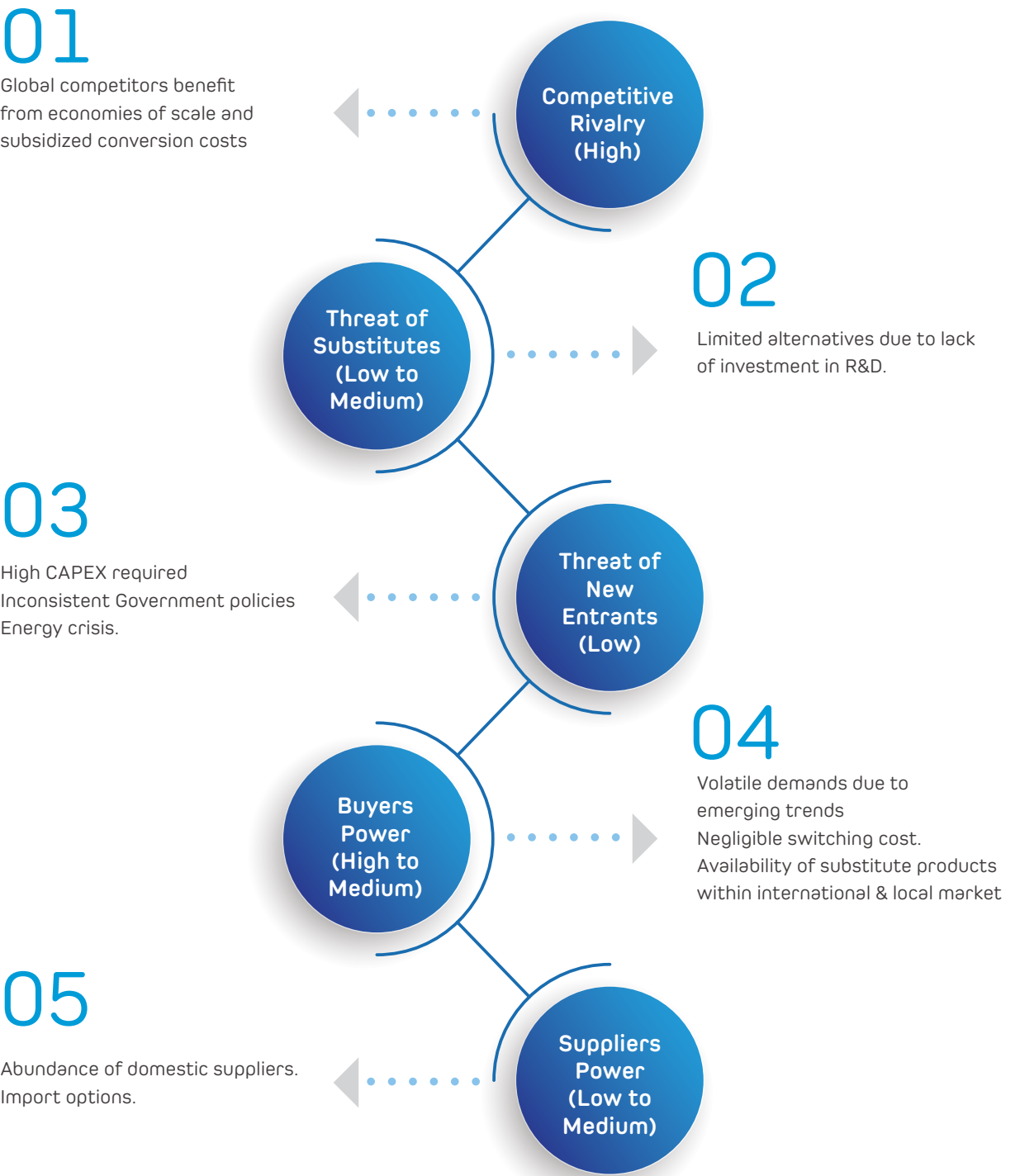
This recognition reflects our continued efforts to foster a safe, secure, and resilient workplace while safeguarding the well-being of our employees, contractors, and stakeholders.

A collective achievement that reinforces our commitment to building a culture of safety, preparedness, and excellence.



Competitive Landscape and Market Positioning

Porter’s Five Forces model has been used to analyze the industry structure and the corporate strategy of GTML to further measure the competitive intensity, attractiveness, and profitability of the textile industry.



SWOT Analysis

S

Strengths

Diversified textile portfolio across spinning, knitting, and home textile segments.

Established export footprint supported by long-standing international customer relationships.

Market dominance.

In-house power generation.

Sustainability-focused operations aligned with evolving global sourcing requirements.

Strong asset base and financial resilience supporting long-term growth.

Strong group structure.

State-of-the-art plant and production facilities.

Experienced and professional workforce.

W

Weaknesses

Mature market with a number of product substitutes.

Labor-intensive operations.

Performance remains influenced by cyclical trends in global textile markets.

Being primarily a commodity-based business, the margins get distorted on account of significant reduction in market price of commodities, thus impacting the sales price of yarn.

Major reliance on the spinning segment.

High working capital requirement to cater for the seasonal procurement of the raw materials – mainly the cotton.

O

Opportunities

Rising global demand for sustainable and ESG-compliant textile products.

Expansion into higher-margin value-added textile and bedding categories.

Recovery in Pakistan's textile exports, which surpassed US\$9 billion in H1 FY2026.

Growing sourcing demand from emerging markets in the Middle East, Africa, and Central Asia.

Global supply chain diversification increasing sourcing opportunities for Pakistan.

Target the niche market due to a wide range of product manufactured.

Technological advancement.

Horizontal and vertical integration.

T

Threats

Continuous increase in operational costs.

Political instability.

Intensifying competition from Bangladesh, India, Vietnam, and Turkey.

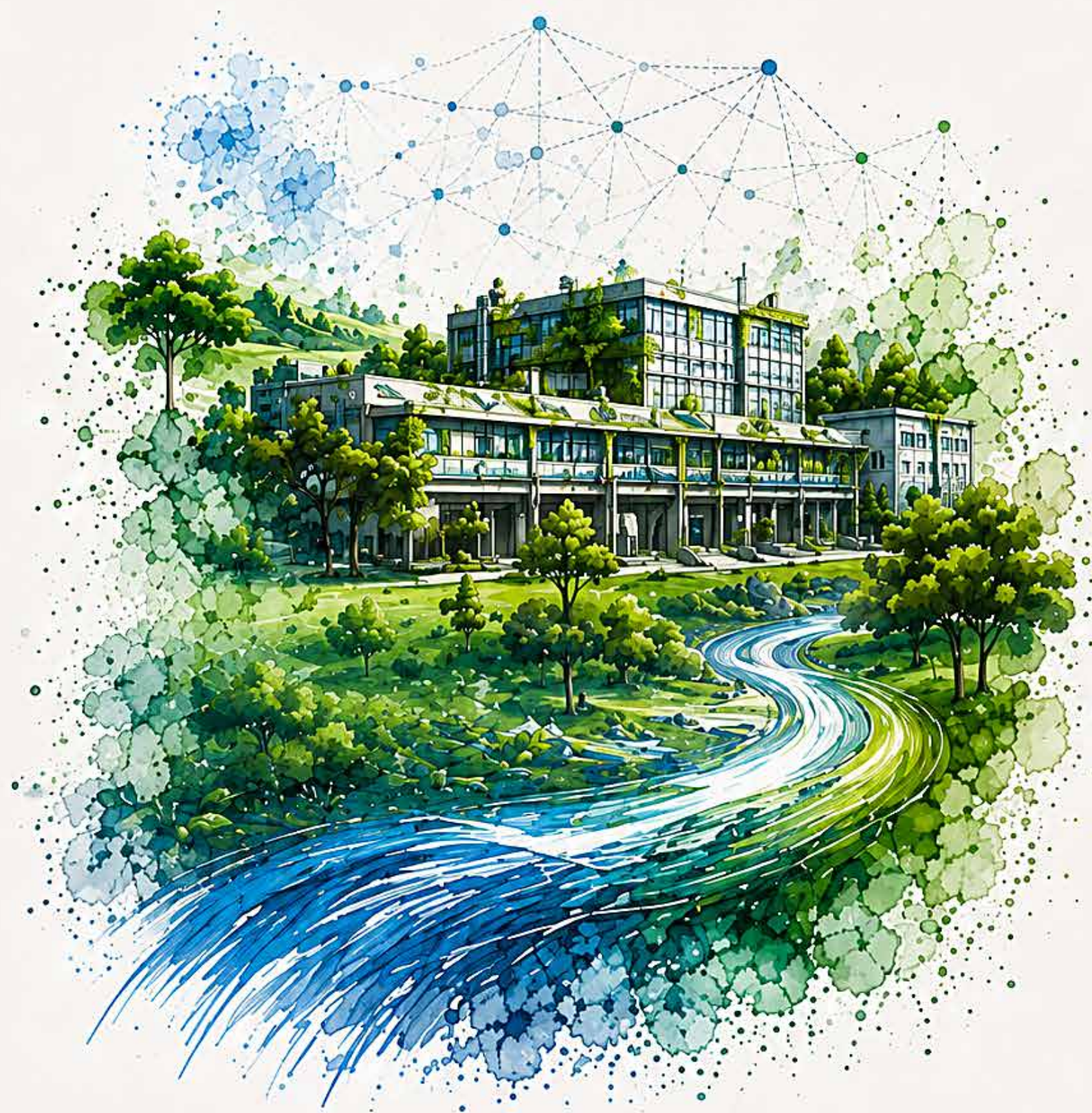
Changes in trade preferences and compliance requirements may affect export competitiveness.

Poor economy and inflation fluctuation.

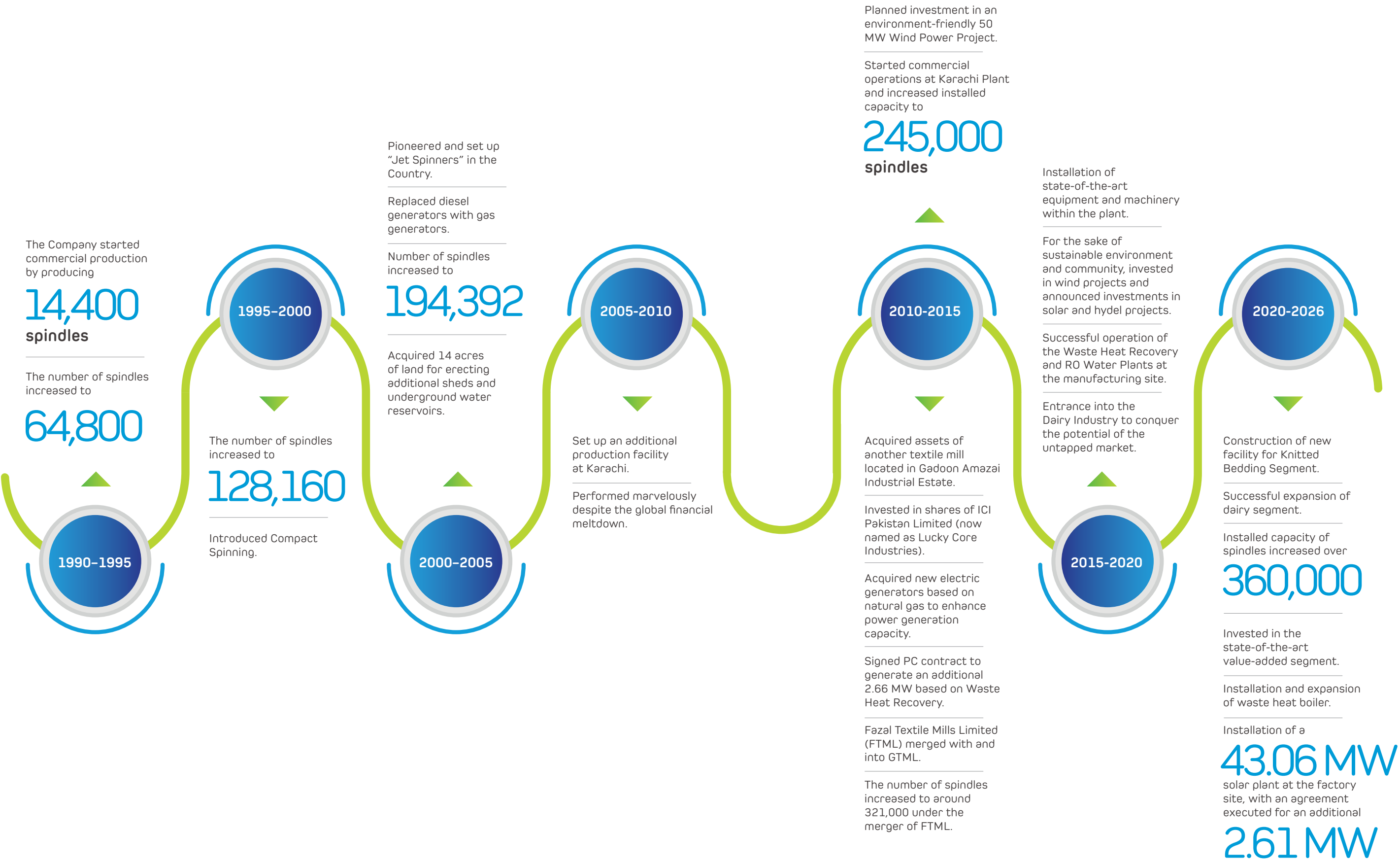
Shortage of raw material due to natural disasters.

High interest rates and abrupt fluctuation in exchange rates.

Global supply chain bottlenecks and shipping disruptions.



History of Major Occasions



Calendar of Notable Events

Employees Engagement Activities

JUL-2025 23 Mango Day	AUG-2025 09 AI Training & Development	AUG-2025 13 Independence Day Celebration	OCT-2025 09 Breast Cancer Awareness Day	OCT-2025 14 World Mental Health Day
NOV-2025 19 World Diabetes Day	NOV-2025 20 International Men's Day	DEC-2025 10 World Human Rights Day	DEC-2025 21 Annual Day	JAN-2026 13-16 Heimtextil 2026
FEB-2026 06 Padel Tournament	FEB-2026 12 National Women Day	MAR-2026 13 Women's Day Celebration	MAR-2026 25 World Health Day	MAR-2026 26 Eid Get Together
APR-2026 30 Hajj Celebration	APR-2026 28 World Day for Safety & Health at Work	MAY-2026 01 Labour Day	MAY-2026 10 Mother's Day	MAY-2026 12 Sustainability Cham Campaign
MAY-2026 16 World Children's Day	JUN-2026 02 Italy's National Day	JUN-2026 03 World Environment Day	JUN-2026 17 Self Defence Training	JUN-2026 20 World Father's Day

Notable Events For The Financial Year

AUG-2025 07 BOD Meeting for Yearly Accounts – 2025	SEP-2025 26 38th AGM 2025	OCT-2025 24 BOD Meeting for 1st Qtr: ended September 30, 2025	JAN-2026 27 BOD Meeting for Half year ended December 31, 2025	APR-2026 28 BOD Meeting for 3rd Qtr: ended March 31, 2026
JUN-2026 13 BOD Meeting for Budget - FY 2027-27	AUG-2026 04 BOD Meeting for Yearly Accounts - 2026			

Tentative Dates for Next Financial Year

SEP-2026 28 Annual General Meeting 2026	OCT-2026 27 BOD Meeting for 1st ending September 30, 2026	JAN-2027 26 BOD Meeting for half year ending December 31, 2026	APR-2027 27 BOD Meeting for 3rd Qtr: ended March 31, 2027
JUN-2027 15 BOD Budget Meeting 2027 - 2028	AUG-2027 03 BOD Meeting for Yearly Accounts – 2027		

threads of growth

- 056 Strategy and Resource allocation
- 056 Strategic Objectives & Plans
- 058 Key Resources and Capabilities, Providing Sustainable Competitive Advantage
- 058 Company's Strategy on Market Development, Product & Service Development
- 058 Factors Affecting the Strategic Approach and Resource Allocation
- 059 Aligning Strategic Objectives with Vision & Mission
- 059 Governance of Risk & Internal Controls
- 059 Significant Plans & Decisions
- 059 Liquidity Strategy



Strategy and Resource Allocation

The foundation of an organization’s planning lies in the identifiable goals towards which all organizational activities are directed. Objectives serve the basis of managerial functions and the organizational existence of any organization. The Company devises challenging objectives for attaining profitable results and gaining a competitive advantage in the market. This approach integrates the Company's strategic objectives with efficient resource allocation to maximize operational efficiency and profitability. The Company’s strategic objectives and plans are mentioned below.

The Company devises challenging objectives for attaining profitable results and gaining a competitive advantage in the market.

Strategic Objectives and Plans

Objectives	Sales maximization and global footprint	Attaining business synergy through operational efficiency	Diversification of risk and businesses to maximize shareholders’ return	Sustain industry leadership	Maintaining high ethical, professional, and environmental standards	Contribution towards the sustainability of the society
Priority	High	High	High	High	High	High
Timeline	Short term	Short term	Medium term	Long term	Medium term	Medium term
Current Status	Ongoing process – Targets for the year achieved.	Ongoing process – Targets for the year achieved.	Ongoing process	Ongoing process – Targets for the year achieved.	Ongoing process – Targets for the year achieved.	Ongoing process – the Company has conducted several CSR activities throughout the year in order to serve society
Strategy	Maximize sales by exploring and entering new and untapped markets (both local and international), while strengthening its position in existing ones, thus increasing the global footprint of the Company.	To monitor the business processes regularly and explore new ways to make the overall process lean and efficient.	To expand within the spinning and other value-added sectors by continuously exploring new opportunities.	Planning and regularly upgrading production facilities; timely deployment of the latest state-of-the-art machinery to maximize overall efficiencies and production of a customer-centric product.	To continuously monitor and incorporate the best industry practices within the Company that contributes to the stakeholders’ well-being. Upholding the highest ethical, professional, and environmental standards in all aspects of its operations.	Implementation of sustainable manufacturing practices focuses on eliminating waste, optimizing processes, and improving product quality. Continuing a chain of sustainability through elimination of carbon and investing in environmentally friendly energy projects. Further contribution towards social initiatives related to employment, health and education
Resource Allocated	Financial Capital, Social and Relationship Capital and Manufactured Capital.	Human Capital and Manufactured Capital.	Financial Capital and Human Capital.	Manufactured Capital, Human Capital and Intellectual Capital.	Social and Relationship Capital and Human Capital.	Financial Capital, Manufactured Capital and Natural Capital.
Resource Allocation Plan	In addition to the budget allocated for sales and marketing to boost sales (financial capital) and to explore new untapped markets, the management is making further efforts to build a global image of the Company (social and relationship capital). For these reasons, various activities are also being planned for the forthcoming year. The Company, being a member of various forums / associations, also attends investment conferences and seminars on both local and global levels, thus promoting its corporate image (social capital). In addition, to ensure presence at various events / seminars, our Corporate and Branding team continuously monitors upcoming potential seminars and avenues to participate actively	The Company significantly focuses on investments in the training and development of its staff and executives at various local and international levels. This helps them to improve their management and technical skills and equips them with the latest production techniques and developments to enhance their overall efficiency and effectiveness (human capital). Additionally, the Company consistently invests in technologically advanced machinery (manufactured capital) to embed efficiencies within the system	The Company has a strong financial standing and being a part of one of the largest conglomerate groups, YBG, has viable access to financial capital from various sources. To manage the investment in diversified portfolios, Company has an experienced strategic management team. The roles and responsibilities have also been appropriately assigned to a dedicated team of professionals (human capital) who are responsible for managing investments and identifying new prospects, and their level of competency has been ensured	To sustain industry leadership, the Company has timely invested in technologically advanced machinery (manufactured capital) and continuously upgraded its system and business intelligence tools (intellectual capital), as a result the Company is able to rationalize its workforce (human capital)	The management of the Company places strong emphasis to ensure that all regulatory requirements and best industry standards are complied with (social and relationship capital). Achievement of this objective would help maintain healthy relations with employees (human capital) and other stakeholders	In order to contribute to society, the management of the Company has taken a keen interest in different kind of CSR activities and has been allocating funds for the same (financial capital). Further, to promote sustainability, regular research is being carried out to eliminate carbon footprints and install technologically advanced and environmentally friendly plant (manufactured capital). To emphasize the minimal wastage of natural resources used in the manufacturing process, techniques are adopted for the effective use of natural resources (natural capital)
KPIs	1. Market Share. 2. New tapped geographical locations. 3. Brand image positioning.	1. Cost Management 2. Outcome and Effectiveness of Training sessions. 3. Fostering & monitoring ethical culture.	1. Profitability ratios. 2. Return on Capital Employed. 3. Gearing ratios.	1. Profitability ratios 2. Market share	1. Employee retention ratio. 2. Long term relations with stakeholders.	1. Effective CSR fund allocation. 2. Percentage of SDG's compliance 3. Units of Energy saved 4. Social Impact Assessment

The KPIs stated will continue to be relevant in the future.

Key Resources and Capabilities, Providing Sustainable Competitive Advantage

As one of the leading textile employers, the Company continuously strives for a business culture of improvement, sustainable competitiveness, and top performance in an ethical manner. The Company is committed to particular values of monitoring brand reputation, and ensuring customers' satisfaction over time, thus sustaining a competitive advantage through:

- Self-power generation plants including the generation from renewable sources at factory sites, to reduce the pressure on the national grid for energy requirements.
- Presence in two distinct locations for better customer reach and effective implementation the brand positioning strategy.
- Obtaining certifications to maintain the sustainable product portfolio and value creation within the targeted market
- Continuous investments in state-of-the-art sustainable and efficient machineries
- Seasoned and experienced management to cater new challenges and achieve operational efficiencies
- Collective feedback from stakeholders (employees, customers, communities) to gauge their perception of ethical, professional, and environmental practices and identify areas for improvement.

Company’s Strategy on Market Development, Product & Service Development

The Company’s strategy on market, product & service development is linked with the core business goals, i.e., plans for growth, profitability, diversification, with the main focus being innovation and differentiation. The Company aims to enhance the product offerings by integrating advanced technologies, responding to customer feedback, and exploring new service models that meet evolving customer needs.

The primary objective is to expand the customer base and increase revenue without losing existing customers and markets. This could mean entering new geographical areas, targeting new demographic segments, or introducing products to new customers. At the same time, effective operating cycle is crucial for both market development, service and product management.

An efficient value-chain ensures that the product is manufactured and delivered efficiently, and that customers are satisfied with their overall services/experience. This can greatly influence the success of the market development strategy and the performance of the product in the market. By continuously refining its products and services, the Company seeks to maintain a competitive edge and drive sustainable growth in existing and new markets.

Factors Affecting the Strategic Approach and Resource Allocation

The Company's management is confident in its strategic approach and resource allocation plan for progressive success within the industry. However, there are still several MACRO factors that might affect the plan either directly or indirectly. Following are some factors and their possible effects on the strategic approach and resource allocation plan.

Factors	Effect on Strategic Approach	Effect on Resource Allocation Plan
Technological Changes	The change in technology and innovation opens the door to progress. However, this may result in a change in consumer behavior and their pattern of product/service usage.	Technological changes will affect Financial Capital, as investments will be necessary to adopt new technologies and maintain competitiveness. Additionally, integrating these technologies with existing systems and infrastructure can be challenging, requiring the hiring of trained resources, which will also impact Human Capital.
Sustainability Challenges	Sustainability related challenges such as climatic changes, societal issues, shortage of resources and the loss of ecosystem is inevitable. It also affects the pattern of consumer behavior and their spending thereby impacting the business	Failure to adopt the evolving sustainability landscape can impact the impact Social and Relationship Capital. Moreover, the Company need to invest in sustainability related initiatives to comply with regulatory standards including CSR framework to maintain transparency among stakeholders, thus impacting the Financial Capital
Promoting and Enabling Innovation	By prioritizing innovation, the Company can adapt to evolving market demands and technological advancements, thereby securing long-term growth and maintaining its competitive edge	The innovation comes with the cost which include the infrastructure costs and hiring specialized resources. Accordingly significant budget might be allocated towards training and upskilling employees to foster a culture of innovation thus impacting the Financial and Human Capital
Resource shortages	Resource shortages can impact the operations of the Company thus impacting target to maximize sales, optimize profits and sustain industry leadership.	The shortage of resources will require Company to opt to alternative suppliers / market (Social and Relationship Capital) which can lead to lower product quality thus impacting the Financial Capital.

Aligning Strategic Objectives with Vision & Mission

The linkage of strategic objectives with mission, vision, and values is fundamental to the Company’s success and sustainability. At GTML, strategic objectives are meticulously crafted to align with the core mission to manage a textile business entity aimed at producing quality yarns through innovative technology and effective resource management, maintaining high ethical and professional standards, and meeting the expectations of all our customers. We strive to achieve the highest possible operating efficiencies and lowest costs and expand the business through selective expansion so that we are able to deliver maximum value to stakeholders. Furthermore, the vision of the Company is to be the textile manufacturer of the first choice for customers at home and abroad, doggedly pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country’s exports. This alignment fosters coherence and unity within the organization, enabling it to channel its resources and efforts effectively towards achieving its long-term goals, thereby driving sustained growth and success.

Governance of Risk & Internal Controls

The Board oversees the governance of risk and determines the Company’s risk appetite by establishing risk management policies to ensure that the management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard assets, resources, reputation, and interest of the Company and shareholders. The Board affirms that an effective internal control framework is in place and is regularly reviewed and enhanced to address evolving business and technology risks. The Audit Committee, on behalf of the Board, oversees the internal audit function, which conducts regular reviews of key control areas, including IT governance, cybersecurity, access controls, data protection, and business continuity planning. The Company believes that an effective internal control system is essential to achieving an organization’s overall business objectives and strategy in the critical areas of operations, reporting, and compliance. Keeping this in view, a system of sound internal controls is established and effectively implemented at all levels within the Company.

Significant Plans & Decisions

From time to time, the Company has diversified its business operations through expansion, restructuring, including the mergers. Furthermore, the Company has set a clear roadmap for growth and transformation, focusing on strengthening its core business while strategically diversifying into emerging and value-added sectors.

Liquidity Strategy

Current Liquidity Position

The liquidity position of the Company is on a solid foundation, and it has an adequate capital structure mainly supported by equity.

	2026	2025
	Rs. (in ‘000)	
Equity	26,731,805	23,910,907
Long Term Finance	5,298,536	4,502,746

The Company stands on a strong repayment legacy as the Company has never defaulted any payment against financial institutions, vendors, or Government agencies, etc. and the management is confident that the Company will not face any liquidity issues in the future. The increase in long-term finance is mainly on account of long-term loan obtained. The Company has sufficient liquid resources in hand to meet its working capital requirements.

The Company has managed its current ratio over the years, and its current ratio is close to 0.9, despite the significant CAPEX incurred over the last 2 years. This depicts the performance of the management in achieving the targets set by the Board. The management ensures all necessary measures are undertaken to manage the ratio at an optimum level.

The principal repayment of Rs. 0.99 billion, out of Rs. 5.2 billion appearing as long-term finance as at June 30, 2026, will be due after five years.

Financing Arrangements

The Company has cordial business relations with all the reputable banks and financial institutions of the Country. Adequate unutilized financing facilities are available at the Company’s disposal. The Company has a stable position and sustainable growth. Moreover, the gearing of the Company has also been monitored and controlled in line with business objectives. The Company regularly monitors the debt-equity ratio to protect the Company from any excessive debt pressure.

threads of sustainability

062	Risk Management
064	Risk & Opportunity Report
066	Robust Assessment of Risk
067	Materiality Determination
069	Supply Chain Disruption Strategy



Risks and Opportunities

Methodology

Risk Management Methodology is the key component of the Risk Management Framework, which is mainly divided into three segments.

The management is committed to following the international standards of risk management methodology to mitigate or minimize the risks at an acceptable level.



Framework

Effective risk management plays an essential role in the operational functioning of the Company. Whereas, the implementation of an affirmed risk management framework that embeds best practices into the Company's risk culture can be the cornerstone for the future.

Continuous monitoring and review of the risk environment are crucial, allowing the management to adapt its strategies in response to emerging challenges.

On behalf of the Risk Management Framework (RMF) following are the major aspects currently in practice to ensure the mitigation of risk at all levels.

- **Identification of Risk**
(Identify and document potential risks that could affect the achievement of organizational objectives).
- **Measurement of Risk**
(Evaluate the identified risks based on their likelihood, potential impact, and severity).
- **Mitigation of Risk**
(Gain a deeper understanding of their causes, potential consequences, and interdependencies).
- **Reporting and Monitoring of Risk**
(Continuously monitor and review the effectiveness of risk mitigation measures and the overall risk landscape).
- **Governance of Risk**
(Integrate risk management into the organization's decision-making processes).

Policy

The purpose of the Risk Management Policy (RMP) is to identify the risks, which may create hindrances for management to achieve the Company's objective and introduce appropriate and effective controls to mitigate the identified risks.

The Board of Directors (BOD), Chief Executive Officer (CEO), and concerned Head of Department (HOD) are responsible for the Risk Management Policy.

Following are the salient features of the Risk Management Policy:

- Management must ensure that every HOD must identify the risk of his/her department and describe the measures to mitigate the identified risk. Every department must be updated about relevant regulatory requirements, laws, and codes of conduct pertaining to the activity of his/her department, and these should be observed and implemented at various execution levels.
- Each risk should be categorized into 4 levels, namely low, medium, high, and crucial.
- HOD should set and adjust the levels of risk in consultation with the Chief Internal Auditor (CIA). HOD will also be empowered to modify the measures to cope up with already identified risks.
- The monitoring and reporting level of each risk will be defined by the CEO with the consultation of CIA and HOD.
- Every HOD will prepare a document of the identified risk of his / her department along with the control measure to mitigate the risk. The HOD will keep a record of changes in the level of risk and will keep track of reporting to higher authorities and measures taken by the concerned department to control the situation. Every change in the level of risk shall be reported to the CIA for assessment and updating in the Risk Register

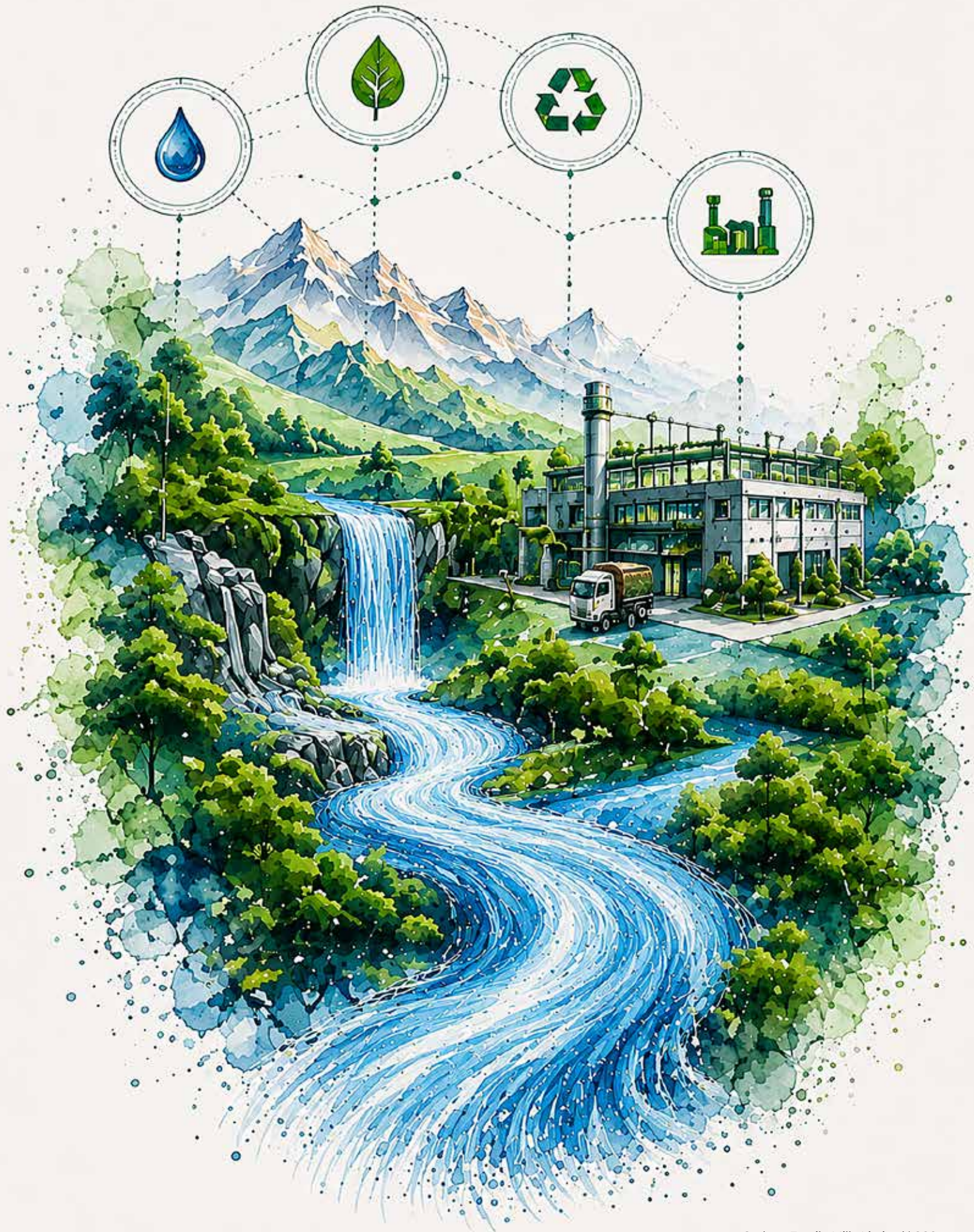
Principal Risks & Uncertainty

Based on the above, the management has developed the Risk Management Policy. Businesses face numerous risks and uncertainties, which, if not properly addressed, might cause serious financial and non-financial losses to the Company.

The Board of Directors of the Company has carried out a vigilant and thorough assessment of both internal and external risks that the Company might face.

The following are some of the risks that the Company is currently facing:

- Technological advancements are making it more challenging for the Company to compete at the national and international levels
- Pressure on export sales due to geopolitical tensions and decreased demand due to the global inflationary impact.
- Increased competition at both global and regional levels, coupled with the impact of global shipping supply disruptions.
- Currency volatility resulting in higher costs of imported raw materials.
- Implementation of customs and anti-dumping duties on the import of raw materials, making them more costly.
- Rising trend of conversion costs on account of inflation, mainly power cost on account of increasing fuel / gas prices.
- Soaring inflation reduces the purchasing power of consumers, thereby decreasing the demand for the Company's products



Risk and Opportunity Report

The management of the Company follows a rigorous approach to risk management, through a risk & opportunity report evaluating its likelihood and potential impact. It also outlines the controls and strategies designed to mitigate these risks. reporting, and control mechanisms help to enhance governance and keep the Company aligned with its objectives. By taking these actions, the Company optimizes decision-making, and enhances overall performance and resilience.

Potential Risks

Our Board members possess diversified skills, knowledge, and experience, which enable them to identify and manage the key risks and opportunities.

Category of Risk	Key Risks	Form of Capital	Source	Assessment	Effect on Strategic Objectives	Plans and Strategies to Mitigate Risk
Strategic Risk	Economic and Political instability of the Country	Social and Relationship Capital / Financial Capital	External	Likelihood: Medium Magnitude: High	Unstable economic and political conditions cause difficulties for the management to take strategic decisions in order to maximize returns. Further, it can impact the Company's reputation making it difficult to expand its global footprint.	The Company believes in an open and transparent relationship with the government, regulator, and other political stakeholders. As part of the larger industry, the Company, through its representatives, provides valuable suggestions and input to regulators and their committees / sub-committees. We regularly monitor the economic and legal impacts of government policies and political actions on the Company as well as the textile industry as a whole.
Commercial Risk	New Laws and Regulations	Social and Relationship Capital	External	Likelihood: Medium Magnitude: Medium	Non-compliance with laws and regulations can have an adverse impact on the Company's position and reputation.	The Legal and Corporate Department proactively monitors and ensures that all relevant laws and regulations are complied with.
	Increased competition between local and international suppliers of the product	Social and Relationship Capital/Financial Capital	External	Likelihood: Medium Magnitude: High	Intense competition can impede in sustaining industry leadership.	The Company believes that its years of experience, quality, research and development, brand image, and customer loyalty, and retention are the success factors to sustain operations even in this challenging global economic scenario. The Company employs robust supply chain management practices and contingency planning, to mitigate risks
Operational Risk	Safety and security of assets	Manufactured Capital	Internal	Likelihood: Low Magnitude: Medium	Damage to assets can cause financial loss and affect the profitability of the Company	The Company has formulated and implemented a safety and security mechanism throughout its manufacturing and administrative facilities to ensure efficient operational practices. Moreover, all tangible assets are insured through reputable institutions in order to safeguard assets against any unforeseen event, whereas for intangible data, management has an appropriate Disaster Recovery Plan in place.
	Employee turnover	Human Capital	Internal	Likelihood: Low Magnitude: Medium	High employee turnover would prevent the Company from achieving overall business synergies and its KPIs	The management has in place, a recruitment process with defined career trajectory to cultivate creativity, innovative culture that can add value within the organization. The Company provides a healthy working environment and optimal growth opportunities to its onboard employees in order to keep them motivated and to give them a sense of belonging, without any form of gender discrimination or inequality.
Financial Risk	Adverse changes in interest rates	Financial Capital	External	Likelihood: High Magnitude: High	Fluctuation in interest rates can complicate the decision-making process for various investment and growth opportunities which accordingly will have an impact on shareholders' return.	The Company mainly meets its working capital requirements through short-term financing facilities. To mitigate the risk of rising interest rates, the management strives to reap maximum benefits of lower benchmark rates of borrowing along with minimum spreads and maintains an efficient portfolio of sources of funds. Further, the Company also obtains foreign currency- denominated lower interest rates borrowings to manage its overall finance costs
	Defaults in payments by debtors	Financial Capital	External	Likelihood: Low Magnitude: Medium	Defaults in payments may impact the Company's cash flows, which in turn may affect the profitability and working capital requirements	The Company regularly monitors the credit period and balance of major parties. Reconciliation and confirmations are also obtained from parties periodically. Further, the Company has shifted a significant portion of its local sales to advance payment mode, thereby eliminating the risk of default.

Potential Opportunities

The Company is actively pursuing potential opportunities for sustaining its business by strategically expanding into new markets, because Pakistan is one of those countries where the upper-middle class and middle-class population forms the majority. This factor opens up the opportunity to sell knitted wear and garments to the Country’s local mainstream population.

Although the competitive local and international market has made it difficult for companies to sustain, however this also provides our Company with the opportunity to acquire smaller players in the market and increase its market share and economic efficiencies.

Key Opportunities	Form of Capital	Source	Effect on Strategic Objectives	Strategy to Materialize
Increasing profits and sustain the level of employment	Social and Relationship Capital / Financial Capital	External	Enables the Company to maximize sales and returns, facilitating the sustainability of industry leadership	The Company continuously strives to increase its productivity and profitability and efficiently manages business operations to cope with the growing demand
Maintaining healthy external relationships to strengthen the Company’s portfolio	Social and Relationship Capital	External	Aids in expansion and sales maximization, which in turn would maximize shareholder return.	The Company works on managing external relations, promoting the brand by enhancing its social media presence, and branding activities to cultivate its brand image
Recruitment of top-tier employees and skilled professionals to support adaptability in an ever-evolving business environment.	Human Capital	Internal	Helps the Company achieve overall business synergies and KPIs set by the Board.	The Company participates in Talent Hunt Programs in reputed universities, regularly updates its job application process, and develops talent assessment tests to hire right-fit candidates and strongly believes in equal employment opportunity. The Company actively conducts learning and development programs for improving the interpersonal and updating the technical skills of the employees so that innovation and change can be brought about
Technology advancement to improve business agility	Manufactured Capital / Intellectual Capital	External	The use of the latest technology would help the Company stay ahead of its competitors and sustain industry leadership	The Company continuously invests considerable amounts in technologically advanced machinery in order to remain competitive and cost-efficient. The core strategy behind this ideation is to uplift the level of innovation within the industry and to maintain customers satisfaction.
Diversification of product range by retaining operational efficiency	Social and Relationship Capital / Manufactured Capital	External	Enhancing the overall productivity of the Company, diversifying the risk, and maximizing sales	The Company keeps itself updated regarding new trends, customer choices, thus; the Company is able to cope up with the new ideas accordingly

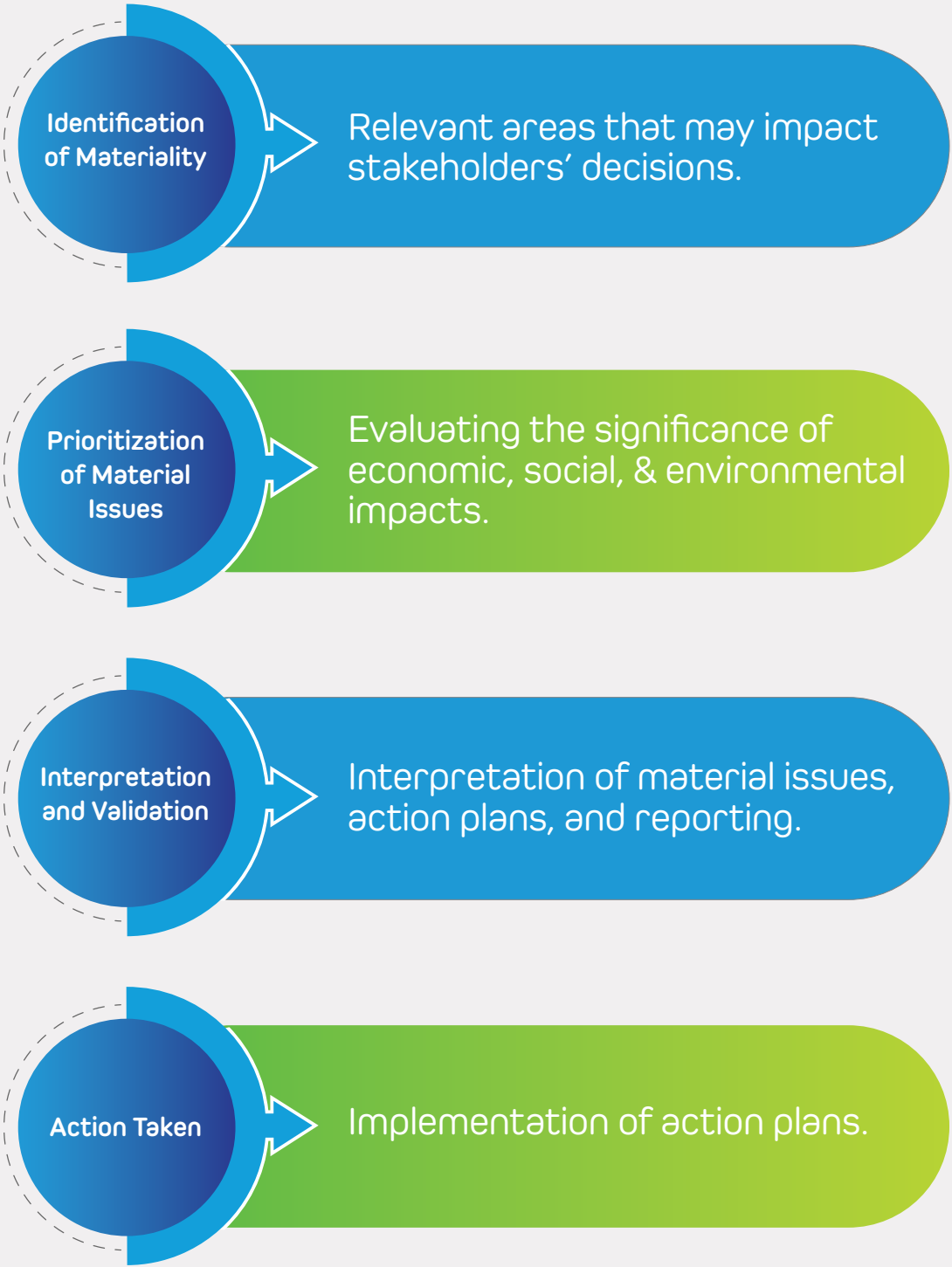
Robust Assessment of Risk

As disclosed in the Directors’ Report, the Board has undertaken a robust assessment of the principal risks and uncertainties that could potentially impact the Company’s business model, future performance, solvency, or liquidity. This assessment has encompassed a broad spectrum of risks, including operational, IT, regulatory, legal, political, strategic, and credit risks, among others. The Board remains confident that the Company has appropriate strategies, resources, and mitigation plans in place to effectively manage these challenges and to safeguard long-term sustainability and stakeholder value.

Materiality Determination

Materiality Analysis

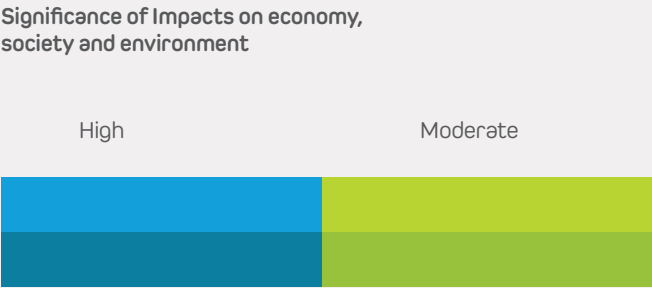
Materiality determination of the Company is the value-creation strategy that prioritizes the most impactful areas of society, environment and economy. These findings are integrated into the Company’s strategic planning and reporting processes to ensure that critical risks and opportunities are effectively managed. By conducting thorough materiality assessments, the Company aims to align its operations with stakeholder priorities, enhance transparency, and drive sustainable growth



Materiality Matrix

The identified material issues have been presented in the table below. The matters have been marked on the basis of their effect on stakeholders’ assessments and decisions, and significance of their impact on the economy, society and environment. The materiality analysis not only helps in identifying issues to stakeholders but also assists in deciding the area of focus of our internal resources.

Sustainability Area	Material Topic	Marking	Boundary
Social	Business Ethics		GTML/Supplier/Customer
	Human Rights		GTML
	Health and Safety		GTML
	Training and Education		GTML
	Compliance		GTML/Regulator
	Marketing Communications		GTML
	Data Privacy and Cyber Security		GTML
	Stakeholder and Community Involvement		GTML/Community
Environment	Energy and Water		GTML
	Carbon Emissions		GTML/Community
	Material Consumption		GTML/Supplier
Economic	Economic Performance		GTML
	Economic Returns		GTML
	Market Presence		GTML



Supply Chain Disruption Strategy

Environmental, Social, and Governance (ESG) factors encompass a wide range of issues, and their impact on supply chains can be significant. Therefore, a comprehensive view of the entire process is essential for a proactive approach.

During the year, no major supply chain disruption incidents were noted, except for some issues arising on account of geopolitical tensions. However, the Company’s risk management team is cordially concerned to manage and mitigate supply chain disruptions in future instances.

The Company’s supply chain disruption strategy in terms of ESG principles focuses on enhancing resilience and sustainability throughout its operations. Here's a comprehensive strategy to deal with the risk of supply chain disruptions caused by ESG practices, to enhance the supply chain efficiency, resilience, and overall effectiveness.



Identification of Risk
Identifying risks involves recognizing potential events or circumstances that could disrupt the flow of goods, services, information, and finances within the supply chain.



Supplier Contribution
Providing basic awareness to the suppliers / customers regarding the ESG-related incidents to ensure a smooth flow of materials and services throughout the supply chain



Adaptability
Supply chain processes need to be adaptable to changes in market conditions, technological advancements, environmental regulations, and governance practices. e.g., alternative transportation routes.



Monitoring & Reporting
Transparent monitoring & strategic reporting are required to mitigate the risk & reduce the overall impact on supply chain operations.

This approach not only mitigates risks but also strengthens the Company's reputation and commitment to responsible business practices, contributing to long-term success and stakeholder trust.



threads of impact

- 072 Board Statement on Sustainability Risks and Opportunities
- 072 Sustainability Related Risks and Opportunities
- 072 Sustainability and DE&I Disclosure
- 072 Board Statement for Strategic Objective on ESG
- 073 Core Content Disclosures: Governance, Strategy, Risk Management, & Metrics
- 074 Expressions of Sustainability
- 075 Resource Consumption & Management
- 076 Establishment & Reporting of Sustainability Committee
- 076 Reporting on Embedding Sustainability Principles
- 076 Board's Statement for Adoption of Best CSR Practices
- 076 Overview on Sustainable Practices Affecting Financial Performance
- 077 Sustainability Snapshot
- 078 GTML and Sustainable Development Goals (SDGs)*
- 080 Mark of Corporate Social Responsibility
- 083 Certifications Acquired for Environmental Sustainability
- 084 Corporate Affiliations
- 086 HSE Roadshow



Board Statement on Sustainability Risks and Opportunities

In compliance with the recent amendments introduced by the Securities and Exchange Commission of Pakistan (SECP) through SRO 920/2024 to the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors affirms its commitment to addressing the Company’s sustainability-related risks and opportunities.

As a reputed employer, the Board recognizes that the integration of environmental, social, and governance (ESG) considerations into the Company’s strategic framework is essential for ensuring long-term resilience, business continuity, and value creation. Accordingly, the Board will oversee the identification, assessment, and management of sustainability risks while actively pursuing opportunities that contribute to responsible growth, operational efficiency, and stakeholder trust.

Through this commitment, the Company aims to align its governance practices with evolving regulatory requirements and global sustainability practices.

Sustainability-Related Risks and Opportunities:

The management has established an appropriate mechanism for identification, assessment, and monitoring of sustainability risks and opportunities. This reporting approach helps to identify and manage risks related to environmental, social, and governance (ESG) factors, which are increasingly important to investors, regulators, and consumers. Under this context, the Company is mainly exposed to the following sustainability risks:

Environmental Risks

Water Usage, Pollution, Waste Management, Carbon Emissions & Chemical Use

Social Risks

Labor Practices, Human Rights, Health, and Safety.

Governance Risks

Regulatory Compliance, Supply Chain Transparency.

The above factors pose a risk to the Company, non-compliance of which might expose the Company to penalties in a short a term, however, in a long term it can lead to heavy fine, legal costs, and reputational damage including the loss of customer / business.

Further, inadequate oversight of sustainability practices and insufficient transparency, could diminish investor confidence and limit access to capital in the long term. With the risk, lies the opportunities, therefore by capitalizing the above risks i.e., adopting sustainable practices and enhancing energy efficiency can result in immediate cost savings and improved brand reputation. Long-term opportunities highlight the potential for sustained competitive advantage through continued commitment to ESG principles, which can enhance investor confidence, reduce financial volatility, and ensure long-term profitability.

Sustainability and DE&I Disclosure

At GTML, sustainability and diversity, equity & inclusion (DE&I) are central to our long-term strategy and stakeholder value creation. Guided by the Board of Directors, we ensure responsible operations, inclusive workplaces, and transparent governance, in compliance with SECP’s regulatory framework.

Our Priorities

- Sustainability: Reduce environmental footprint, enhance resource efficiency, ensure workplace safety, and contribute to community development.
- DE&I: Promote workforce diversity, ensure equity in opportunities and pay, and foster an inclusive organizational culture.

Targets & Measures

- Energy consumption reduction, waste recycling, and expanded community programs.
- Increase female representation in leadership, conduct annual pay equity reviews, and provide DE&I training for all employees.

Monitoring & Performance

The Board periodically reviews progress against defined sustainability and DE&I targets. Updates are provided to stakeholders through the Company’s annual report and corporate website, ensuring transparency and accountability. During the reporting year, we achieved reductions in energy use, increased women participation in management roles, conducted DE&I awareness workshops, and scaled up community initiatives.

Board Statement for Strategic Objective on ESG

The Company’s prospect is transparent to establish a robust and proactive ESG reporting strategy as per the compliance and reporting standards set by SECP, driving meaningful and measurable positive impact on the business sustainability performance. The vision behind this strategic objective is to integrate and prioritize sustainability principles across the Company’s operations and decision-making processes for long term value creation.

“By embracing operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute for a sustainable future. Within our diverse workforce and the communities, we stand as advocates for equality, diversity, and inclusivity. The Company’s strategic team is also committed to uphold the highest standards of corporate governance, adhering to corporate laws and regulations to avoid any conflicts of interest”.

Furthermore, the management has set specific and measurable ESG targets that align with the respective KPI’s of SECP’s strategic objective to achieve greater sustainable resilience, and positive social impact.

Core Content Disclosures: Governance, Strategy, Risk Management, & Metrics

The Company's management approach encompasses four key pillars: Governance, Strategy, Risk Management, and Metrics/Targets. Detailed disclosures are provided for each pillar, outlining the specific metrics designed to demonstrate the company's performance and progress.

Core Pillars	Overview	Metrics
Governance	Establish structured policies and processes to oversee the regulatory compliance of sustainability-related factors & ESG practices.	• Compliance with regulations • Whistleblowing incidents
Strategy	Specific objectives and initiatives are outlined to drive sustainable innovation and reduce environmental impact within the industry.	• Number of sustainable initiatives, including energy efficiency targets, water conservation, waste management, and sustainable sourcing
Risk Management	Sustainability-related risk assessments to address emerging threats and opportunities, ensuring resilience and adaptability by safeguarding Company’s operations and reputation.	• Number of identified risks mitigated • Incident response times • Sustainability risk audits
Metrics & Targets	Clear and measurable metrics are established to track the Company's sustainability performance in key areas such as environmental impact, labor practices, and regulatory compliance.	• Environmental targets (e.g., carbon footprint reduction) • Social targets (e.g., community engagement activities)



Expressions of Sustainability

Organizations accomplish sustainable development by implementing numerous business strategies that protect, sustain, and enhance human and natural resources.

Additionally, the management actively invests in renewable energy sources, to reduce reliance on non-renewable resources. GTML also emphasizes social sustainability, fostering a safe and inclusive work environment, supporting local communities, and adhering to ethical labor practices. Following are the numerous features of sustainability on which the Company’s performance, policies, initiatives, and plans are based for the year:

Economic

The economic aspect of sustainability is the potential to amalgamate sustainable practices, technology, and profit-making tools.

The Company aims to deliver value to its stakeholders along with consistent growth. The Company’s presence in the market has a positive impact on the economic development of Pakistan by boosting employment and business opportunities simultaneously. However, for enhanced productivity and growth the Company uses advanced technology that sustainably contributes toward economic development.

Environmental

Environmental sustainability is at the core of our corporate values. The Company rigorously complies with environmental laws and continually enhances its implementation of environmental management systems, aiming to meet and exceed new global reporting initiatives voluntarily. The Company is proactive in adopting eco-friendly practices, reflecting a deep commitment from the management to explore and implement sustainable methods. The management actively pursues innovative solutions to reduce its environmental impact, emphasizing its responsibility to achieve set sustainability goals.

Mitigating Adverse Risk of Industrial Effluents

As a reputed employer of the industry the Company actively aims to mitigate adverse risk and to minimize the overall harmful industrial effluents. The Company also ensures that waste material and chemicals are disposed of in an environmentally friendly manner. Under this context, the Company installed specifically designed Effluent Treatment Plant (ETP) to treat wastewater before it is discharged into natural water bodies or municipal systems. Its functioning ensures compliance with environmental regulations and promotes sustainable industrial operation.

Furthermore, multiple training sessions have been organized to create awareness among the employees and staff regarding actions that need to be taken to achieve the business objective.

Energy Saving Measures

Recognizing the critical importance of reducing energy consumption, the company has invested in state-of-the-art WHRSG and equipment that are designed to be highly energy-efficient.

WHRSG uses the excess heat or steam generated from the power plant as fuel and does not need any externally fed fuel to operate. The design of these plants hinges on the idea of encapsulating all the excess heat from the production system and using this heat to generate steam from boilers, which drive the turbine engines, thus producing electricity.

Furthermore, the Company has replaced traditional lighting with LED fixtures throughout its facilities, resulting in substantial reductions in energy consumption. Similarly, the Company has also installed a solar plant in the factory area to adopt the green and sustainable practices. While basic energy-saving practices are vital, adopting advanced measures like solar panel installation provides a long-term solution that benefits both the user and the environment. As technology becomes more affordable and accessible, solar energy stands out as one of the most practical and impactful measures in achieving sustainable energy efficiency.

The Company’s management has enforced certain small yet effective environment-friendly measures by turning off unnecessary lights, switches, or computers during office breaks alongside using energy-efficient office equipment.

Paper-Waste Disposal

The Company being a socially responsible organization encourages employees to decrease the overall unnecessary utilization of paper with scanning tools and digital data storage. Over the last few years, the management has been donating tons of waste paper for recycling.

With the circular waste management systems, the Company also converts tons of paper waste into compost soil, which is utilized during tree plantation drives and gardening purposes, making the soil more fertile and richer in nutrients.

Social

The goal of the Company in this respect is to give utmost priority to the health, wellness, and education of the people and encourages the employees to focus on work-life balance initiatives. The Company’s social responsibility is achieved through compliance with relevant legislation and codes of practice, effective management of social, economic and environmental impacts. The Company has a significant impact on livelihoods, professional development opportunities and growth prospects for the people who work towards shared goals.

Industrial Relations / Employment

The management of the Company ensures a strong connection and fair treatment between the line managers and employees in all matters. If in case of any issue emanates, the Company’s management resolves the matter timely, fairly.

The Company takes part in corporate social activities actively and also believes in spreading ethical values amongst society by giving employment opportunities. The Company started its operations in Swabi which provided employment opportunities to the local residents, who previously used to take part in the cultivation of opium and

poppy on their lands as their only source of income. The Company’s CSR team plays a critical role in planning, implementing, and monitoring the social and environmental initiatives. Their responsibilities extend beyond profit generation and focus on creating positive impacts on society and the planet.

Moreover, amenities like subsidized food, medical services, and commute services are also provided to employees for their well-being. The Company also has retirement plans in place for its employees providing them with the financial security post their retirement.

Communities

The management plays a pivotal role in embedding community-based endeavors into the Company’s culture and operations. By effectively managing and implementing social initiatives, the team contributes to the Company’s reputation, long-term sustainability, and positive contributions to the community.

Every year, GTML takes various initiatives and fulfills its commitment to the well-being of communities and society. The Company’s CSR vision is aligned with its core values, industry context, and the expectations of its stakeholders.

Resource Consumption & Management

An integrated approach to resource management considers the interconnectivity of these areas, aiming for a balanced and sustainable use of resources. This approach involves:

Material	Energy	Water	Waste & Emission
- Involves using renewable or sustainably harvested materials and reducing reliance on finite resources. - Assesses environmental Impacts associated with all stages of a product’s life, promoting the use of materials that are less harmful to the environment.	Transitioning from fossil fuels to renewable energy sources like solar, and hydroelectric power to lower greenhouse gas emissions. - Implementing technologies including Supervisory Control and Data Acquisition (SCADA) to monitor energy utilization. - Investing in Inverters throughout the production facility to save energy.	- Improving ETP processes to allow the reuse of treated water effectively. - Using ablution water for gardening purposes. - Installed RO water plant to track water quality parameters (e.g., pH, turbidity, contaminant levels) and ensure safe water supplies.	- Encouraging the recycling of materials and products, and the reuse of items to extend their life cycle and reduce the need for raw materials. - Converting waste materials i.e., paper into compost soil to reduce overall waste. - Converting bio-waste into cardboard to reduce overall waste. - Promoting the use of electric forklifts to reduce the emissions at factory premises. - Implementation of renewable & green projects i.e. (Green Office Initiative by World Wide Fund) to adopt low-emission practices at work.

Sustainability Snapshot

Establishment & Reporting of Sustainability Committee

The Board of Directors of the Company recognizes sustainability as a critical driver of long-term corporate value, resilience, and stakeholder trust. During the year, the Board established a dedicated Board Sustainability Committee (BSC) to provide focused oversight of the Company's sustainability and Environmental, Social and Governance (ESG) matters.

The Board Sustainability Committee comprises three members, including one female Director, and is chaired by an independent Director. The Committee is responsible for providing strategic oversight of the Company's sustainability agenda, including environmental management, climate-related risks and opportunities, social responsibility, diversity and inclusion, governance, stakeholder engagement, and sustainability-related disclosures.

The BSC also oversees the integration of sustainability-related risks and opportunities into the Company's overall strategy and enterprise risk management framework and monitors alignment with applicable regulatory requirements and recognized sustainability reporting standards, including the SECP ESG Disclosure Guidelines, 2023, and IFRS S1 and S2.

The Committee reports its key deliberations, findings, recommendations, and decisions to the Board, thereby strengthening Board-level accountability, transparency, and oversight of the Company's sustainability performance and long-term sustainability objectives.

The detailed composition, mandate, responsibilities, and Terms of Reference of the Board Sustainability Committee are disclosed on page (150-151) of this Annual Report.

Reporting on Embedding Sustainability Principles

During the year, the Board Sustainability Committee formally updated the Board on the integration of sustainability principles into the Company's strategy and operations. The Committee recommended embedding sustainability principles across the organization through a robust framework for sustainability metrics and data collection, supporting effective measurement, monitoring, and reporting of sustainability performance.

These initiatives are aimed at strengthening sustainability governance, enhancing transparency and accountability, supporting assurance readiness, and contributing to long-term corporate value creation.

Board's Statement for Adoption of Best CSR Practices

The Board ensures that CSR is integrated into the Company's overall business strategy rather than being treated as a separate initiative. The Board is updated on the quarterly basis on CSR initiatives taken by the management through ESG reporting. By embedding these practices, we aim to create long-term value for our stakeholders while driving positive social impact and promoting a more sustainable future for all.

"Our dedication to CSR aligns with our core values of integrity, transparency, and accountability. These principles will guide our decision-making processes and shape the way we conduct our business. By adopting the best practices for CSR, the Company aims to create long-term value for its business, society, and the planet. The Company's management understand that our success is intertwined with the well-being of all our stakeholders, and we are committed to continuous improvement in our CSR efforts for a sustainable & equitable society"

Overview on Sustainable Practices Affecting Financial Performance

Sustainable practices are becoming increasingly essential in influencing our Company's financial performance. We reaffirm our strong commitment to integrating sustainability into the core of our business model, recognizing that environmental, social, and governance (ESG) practices have a direct and measurable impact on financial performance. The management views sustainability not merely as a compliance requirement but as a strategic enabler of long-term value creation, risk mitigation, and operational efficiency.

While investing in sustainable technologies and practices might initially affect our short-term financial results, these investments are vital for fostering future growth. Embracing eco-friendly practices allows us to meet evolving regulations, boost our brand reputation, attract and retain customers, and reduce risks related to environmental and social factors.

Our commitment to sustainability enables us to seize new market opportunities and enhance operational efficiencies, ultimately improving our financial performance. By continuing to adopt these practices, we are confident in their ability to deliver substantial value and ensure our long-term competitive advantage and profitability

"At Gadoon, we firmly believe that sustainability is a moral duty to our world and future generations, not merely a business responsibility. Incorporating Environmental, Social, and Governance (ESG) concepts into all aspects of our strategy is a priority for the Board of Directors. By doing this, we hope to promote openness, provide value for all stakeholders involved, and stimulate long-term sustainable growth. Our goal is still to conduct business ethically, lessen our environmental impact, and make a significant contribution to the communities in which we operate."

The company has worked to integrate ESG principles into all aspects of businesses. With initiatives to reduce emissions, preserve natural resources, and advance renewable energy, our Climate Action Program (2022-2030) is at the forefront of our environmental policy. Tree planting initiatives, water conservation through sophisticated treatment systems, and waste-to-resource projects are increasingly part of our everyday lives.

On the social side, we have invested in education and empowerment by developing worker-children's schools and vocational training facilities near our industrial locations. We have also increased gender equity and workplace participation through Diversity, Equity, and Inclusion programs such as the Superwomen program and improved access to health and hygiene facilities. In terms of governance, we have concentrated on enhancing accountability and transparency via digitization, ERP system adoption, sustainability certifications, and proactive

adherence to PSX and SECP ESG disclosure requirements. Our dedication to integrating sustainability into corporate operations and community development is demonstrated by these activities taken together.

We have made great strides and gained recognition on a national and worldwide scale because of our persistent efforts. The dedication of our employees and the resilience of our systems are demonstrated by the accolades our company has received for corporate reporting, sustainable practices, and occupational health and safety. We have also achieved certifications from globally recognized institutions such as **WWF Green Office**, **OEKO-Tex® STeP (Level 3)**, reflecting our alignment with international sustainability standards.

Beyond recognition, the impact is evident in the culture we are creating, one in which employees are inspired and involved, women are encouraged to assume leadership positions, and the company's presence positively benefits the areas in which it operates. Partnerships with leading international and local NGOs have strengthened our commitment to advancing the United Nations Sustainable Development Goals, particularly in the areas of education, gender equality, clean water, and responsible production.

Looking ahead, we remain focused on continuous improvement, scaling up sustainable practices within the textile sector, and ensuring that each milestone serves as a foundation for greater impact in the future.



GTML and Sustainable Development Goals (SDGs)

Management Approach:

Management Approach: The Company is highly committed to initiating and practice the maximum possible Sustainable Development Goals (SDGs) as a responsible employer within the industry and across the country. Our management approach is to integrate the SDGs into corporate strategy and policies.

Being a reputed name in the spinning industry, GTML strictly adheres to its mission and commitment to the sustainability of society. The Parliament of Pakistan unanimously approved the SDGs as the national development agenda on February 16, 2016. The Company is committed to putting its mark by fulfilling the below-mentioned (SDGs) with the best practices. Meanwhile, the Company’s management is actively exploring and collaborating with the government and local bodies for future collaboration to make this planet a sustainable place.

	Good Health and Well-Being (Aspiring Safe Working Environment) The Company possesses absolute exaltation regarding high maintenance of health and safety standards at all locations. Ensuring round-the-clock medical facilities along with a well-equipped dispensary helps to significantly reduce the overall chances of serious injuries at work. Further, drills, 30+ external and internal trainings and have been conducted during the year at the workplaces to comply with the required international health and safety standards. The Company also dedicated 800+ employee safety hours to educating employees on basic life support and emergency practices. These efforts have resulted in a significant decrease in workplace accidents and an increase in employee satisfaction and productivity, demonstrating our unwavering dedication to creating a healthy and safe working environment for all.
	Quality Education (Equitable Education and Trainings) The Company has collaborated with various prestigious institutes in Pakistan, providing professional education and training to the employees and allocated a separate budget for it. Over the past year, we have implemented several projects that ensure access to quality education for all, regardless of socioeconomic background. To uplift the overall standard of training and development the Company has also dedicated over 3,200+ training hours in the current year with an overall effectiveness rating of 80%. The Company also aims to expand access to education in underprivileged communities by collaborating with several NGOs and NPOs.
	Gender Equality: (Saying No to Discrimination) Gender equality is a cornerstone of Company performance, ensuring that all employees, regardless of gender, have equal opportunities to succeed and thrive. GTML is undoubtedly an equal opportunity employer within the industry. Thus, we always follow a transparent employment process without any sort of gender discrimination, biases, and racism to provide the same leveling ground for all candidates. Large numbers of female have been placed at different level and in different department at the head office. Meanwhile, our policies are in place to monitor, enforce and promote equality and protection of rights amongst all employees.
	Clean Water and Sanitation: (Purifying the Needs of Future) The Company always prioritizes its contribution toward a healthy environment and water sanitation. GTML strives to control the wastage of water by pouring every single drop from the source to the tap by investing in advanced water purification technologies and sustainable water management systems to provide safe drinking water and efficient sanitation solutions. The Company has installed multiple RO plants within the manufacturing premises by implementing integrated water resources management at all levels. To balance the consumption of water resources, during the year 7.8 million gallons of water was saved by the Company. The Company invested considerable resources to ensure 100% renovation and timely maintenance of RO plants to improve and maintain the quality of drinking water for all employees at work. By investing in advanced ETP technologies, the Company successfully treated 234 million gallons of toxic waste water from its dyeing plants before safely discharging it.
	Affordable and Clean Energy: (Conserving Energy, Achieving Synergy) The Company's commitment to affordable and clean energy has yielded significant progress in both conserving energy and achieving synergy across our operations. By implementing advanced energy-efficient technologies and optimizing our processes, we have substantially reduced our energy consumption. To save energy and reduce the wastage of natural resources i.e., Gas, the Company has installed the WHRSG at its Gadoon Amazai factory, Swabi in addition to investing in efficient gas generators to reduce overall air pollution. Moreover, the Company has made an investment in 43.06 MW Solar Plant, with an additional 2.61 MW currently in the process. These synergies have strengthened our competitive edge and reaffirmed our dedication to providing sustainable energy solutions to our customers and communities.

	Decent Work and Economic Growth: (Sharing Same Platform) The Company's commitment to promoting decent work and economic growth is exemplified through our collaborative platform, which brings together diverse stakeholders to drive inclusive development. With this goal, the Company offers various internship opportunities and jobs regularly. Further, to meet the objective of promoting a congenial and decent work environment, GTML has always ensured that healthy work norms are maintained and growth and learning opportunities are provided to all of its employees. By ensuring fair wages, decent working conditions, and opportunities for personal and professional growth, we create an empowered workforce that drives innovation, productivity, and sustainable profitability. To support this cause, the management has always ensured the compliance of national and provincial labor laws, legislations, and is committed to fulfilling labor rights. Our dedication to these principles not only enhances our Company's performance but also supports the broader goal of sustainable development.
	Industry, Innovation, and Infrastructure: (Adopting the Technology) Adopting cutting-edge technology not only enhances operational efficiency but also drives innovation and strengthens infrastructure. The Company has always placed due importance to technology and innovation to reduce the overall cost and to generate business synergies. Further, the significant portion of Rs. 6.016 billion CAPEX incurred during the year, represents the amount spent on the installation of state-of-the-art equipment and machines within the manufacturing area.
	Reduced Inequalities (Equal Access to Opportunities) The Company prides itself on providing equitable employment opportunities, free of discrimination by implementing a merit-based non-discriminatory recruitment process. The number of female staff is at quite manageable level at the head office. Meanwhile, to reduce inequalities, the Company continuously strives to hire persons with disabilities and diverse cultural backgrounds to promote an inclusive work environment.
	Responsible Consumption and Production: (Sustaining the Community) The Company's commitment to responsible consumption and production is evident through our comprehensive initiatives aimed at sustaining the community. By prioritizing sustainable practices, we have not only reduced our environmental footprint but also fostered a culture of accountability and stewardship within our workforce. The Company's manufacturing and supply chain department has the practice of responsible consumption of natural resources in its production processes with an aim to reduce, reuse and recycle. The Company's focus is to maximize the overall consumption of sustainable fibers including but not limited to BCI Cotton, GRS, etc.
	Climate Action (Making Living Sustainable) Recognizing the urgency of climate change, GTML has adopted various measures to mitigate its environmental impact. Our efforts have resulted in a significant reduction in greenhouse gas emissions, demonstrating our dedication to environmental stewardship. Furthermore, we actively engage with our stakeholders, including suppliers and customers, to promote sustainable living and support initiatives that drive positive environmental change. The Company looks for opportunities to avoid the use of hazardous materials, and implement the best practices of reusing and recycling materials to minimize our environmental footprint. Following activities were carried out during the year in this respect. • The Company planted 400+ saplings at Amazai. • 0.89 million pages were saved through digitalization; • Made cardboard paper by utilizing 400 MT animal waste through installed ETP (Effluent Treatment Plant) at dairy segment. • Saved 18,549 MT of CO2 emission through the WHRSG, solar plant, low-voltage LED lights installation, and the unique infrastructure of the manufacturing area;

Mark of Corporate Social Responsibility

SOS Children's Village

The Company continued its commitment to supporting children and creating opportunities for a brighter future through its engagement with SOS Children's Village. Essential school administrative supplies and school uniforms were provided to support the children's educational needs. The initiative was further enriched through interactive and recreational activities led by employees, creating an environment of learning, connection, and shared joy. Through such meaningful engagements, the Company seeks to contribute to the holistic development and well-being of children and support their journey towards a more hopeful and empowered future.



Diabetes Screening Camps

The health and well-being of its people remain an important part of the Company's commitment to building a caring and responsible workplace. To encourage preventive healthcare and greater awareness, two diabetes screening camps were organized at the Head Office and KP facilities. The initiative provided employees with access to health screening while reinforcing the importance of early detection and proactive health management, contributing towards a healthier and more resilient workforce.



Tree Plantation Drive – Mangroves Biodiversity Park

Recognizing the importance of preserving natural ecosystems for generations to come, the Company organized a mangrove plantation drive at the Biodiversity Park, with approximately 15 employee volunteers participating in the plantation of mangrove saplings. Beyond contributing to biodiversity conservation and ecosystem restoration, mangroves serve as natural safeguards for coastal communities and play an important role in carbon absorption and climate resilience. The initiative reflects the Company's commitment to environmental stewardship and its belief that meaningful sustainability begins with collective action.



ChildLife Foundation

The Company extended its support to ChildLife Foundation, bringing moments of comfort and happiness to young patients undergoing treatment through the donation of gifts and toys. While healthcare addresses the physical needs of a child, gestures of care and kindness can provide emotional strength during difficult times. Through this initiative, the Company sought to create moments of joy and reassurance for children and contribute to a more compassionate healthcare experience.



NOWPDP

The Company partnered with NOWPDP (Network of Organizations Working for People with Disabilities Pakistan) to support initiatives aimed at empowering persons with disabilities and enabling greater participation in society. By supporting vocational development and pathways towards independent living, the initiative reflects the Company's commitment to fostering inclusion, dignity, equal opportunity, and economic empowerment. The Company believes that sustainable communities are built when every individual has the opportunity to contribute, grow, and lead an independent life.



KDSP – Karachi Down Syndrome Program

The Company extended its support to the Karachi Down Syndrome Program (KDSP), contributing towards initiatives that promote the education, development, and well-being of children with Down syndrome. By supporting learning and skill development opportunities, the Company seeks to help create an environment where children with special needs can reach their potential and participate meaningfully in society. The initiative reflects the Company's broader commitment to inclusion and creating equal opportunities for every member of the community.



Murshid Hospital

The Company continued its support for community healthcare initiatives by contributing 300 bedsheets to Murshid Hospital. This contribution reflects the Company's commitment to enhancing patient care and supporting healthcare institutions that play a vital role in serving the community. Through such meaningful initiatives, the Company remains dedicated to promoting community well-being and creating a positive and lasting social impact.



Sirat-ul-Jannah

During the holy month of Ramadan, the Company extended its support to the residents of Sirat-ul-Jannah through the distribution of essential items. Rooted in the spirit of compassion, generosity, and shared responsibility, the initiative sought to provide meaningful support to those in need during a sacred time of the year. Through such efforts, the Company continues to translate its commitment to social responsibility into meaningful action, contributing to stronger, more caring, and connected communities.



Iftar Drive at Amazai Plant

Ramadan is a time of reflection, gratitude, compassion, and togetherness. During the blessed month, the Company organized a month-long Iftar initiative at Amazai, providing Iftar meals to its workforce throughout Ramadan. The initiative reached more than 3,500 employees and workers, offering an opportunity to come together and share the spirit of the holy month. Beyond providing nourishment, the initiative reflected the Company's values of care, respect, appreciation, and community, while recognizing the dedication and contribution of its workforce. Through such meaningful initiatives, the Company continues to foster a culture of inclusion, solidarity, and collective well-being.



Amazai Tree Plantation Drive

The Company conducted a tree plantation drive at its Amazai facility in collaboration with the Government of Khyber Pakhtunkhwa (KPK). As part of the initiative, 400 trees were planted across the premises to enhance green cover and contribute to environmental sustainability. The initiative reflects GTML's commitment to environmental stewardship, climate action, and the development of greener communities.



Certifications Acquired for Environmental Sustainability

"Our vision of sustainability is transparent to embrace the friendly welfare of society. We are committed to practice the moto of sustainability with the collaboration of our prosperity partners by contributing our share of responsibilities for the community"



SGS-SA-8000



Recycled Blended
Claim Standard



OCS 100



Cotton USA



Cotton
Made in Africa



Global Organic
Textile Standard



Global Recycled
Standard



STANDARD
100

OEKO TEX
Standard 100



OEKO TEX-STeP

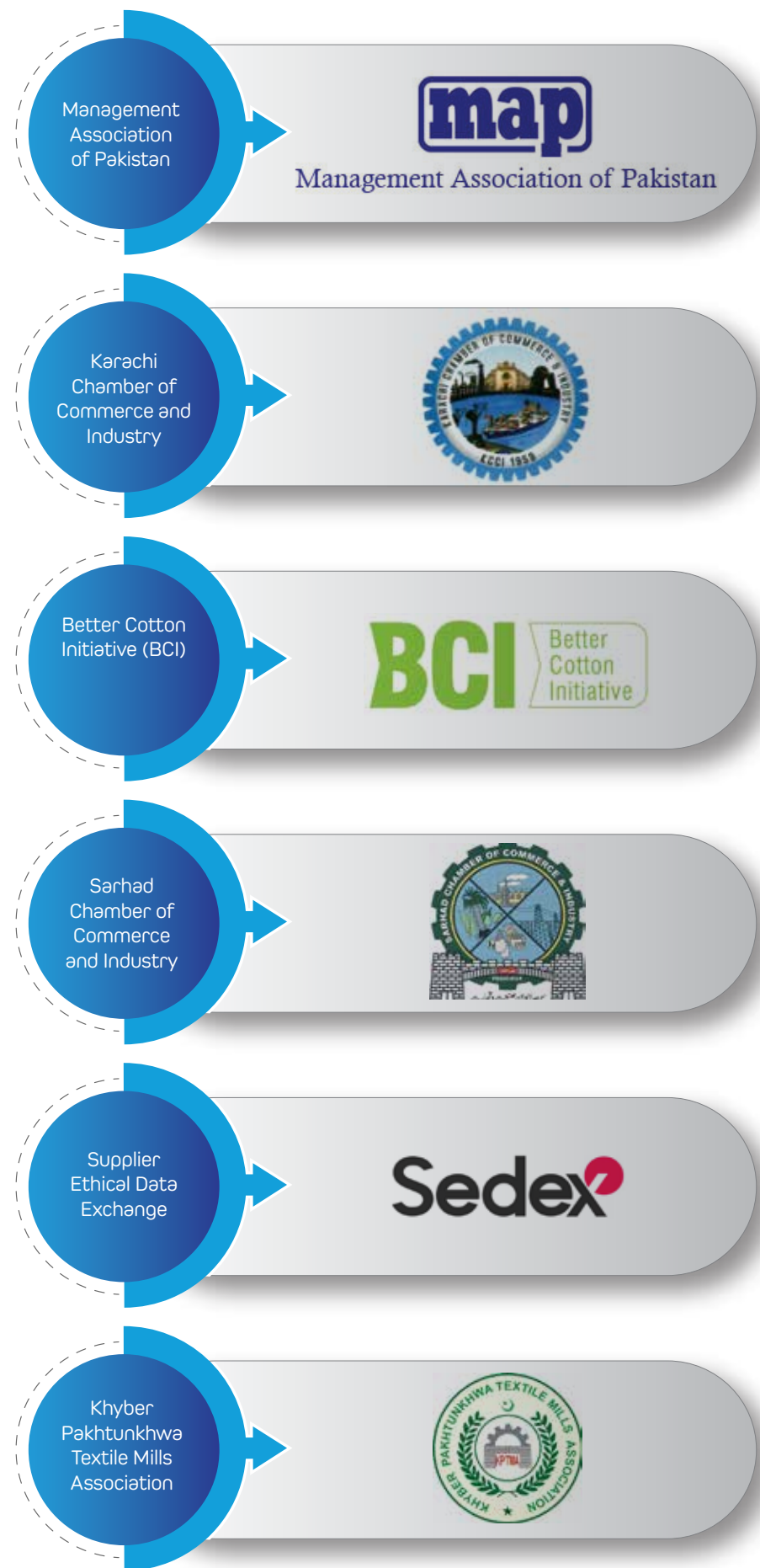


WWF-Pakistan



amfori Business Environmental
Performance Initiative

Corporate Affiliations



HSE Roadshow

Management Approach

Our goal is to ensure that every employee has a safe work environment and the knowledge to perform their duties safely. Here, the primary aim of measuring safety performance at the workplace is to mitigate unsafe behaviors and conditions that can lead to accidents. The Company prides itself on complying with all the requirements of relevant environmental, health and safety laws and regulations resulting in an improved brand image and embedding sustainability goals.

Safety Management Systems

As a responsible & reputed employer, the Company's management strives to create a secure working environment where safety is integrated into every aspect of our operations, driving our commitment to excellence and sustainability. The Company has put in place comprehensive processes, controls, and guidelines to promote a safe and healthy environment in compliance with the Safety Management System (SMS).

Monitored HSE Efficiency

HSE team always focuses on active monitoring for the betterment of organization. In order to ensure the high standard of health and safety at work, following nature of trainings / seminars have been conducted during the period of 2025-2026 along with the participation of the workers.

Safety Management Systems

- New Hiring Induction
- Health Awareness Session on Diabetes
- 5S Rule Training
- Ergonomics Safety
- Awareness Regarding C-TPAT to 3rd Party
- Workshop Awareness Training Regarding PPE's & House keeping
- Fire Fighting & Emergency Response by Civil Defence
- Security Training about CTPAT
- ETI (Ethical Trading Initiative) Base training
- Hygiene Awareness Training
- Chemical Awareness Training
- Handling & Storing Awareness of Scrap & PPE's
- Awareness Training Regarding: GRS, RCS, GOTs, OCS
- First Aid Response Training
- **Topics Covered:**
- Skin burn /Acid burn chemical burn, Heart Attack Emergency Response Treatment, Choking, Cuts and Wounds Treatment, Bone fractures, Animal / Dog Bites and Rabies, Heat exhaustion & Heat Strokes, Epileptic seizure
- Safety Awareness Training for office boy and janitorial Staff.
- Defensive Driving Training



threads of direction

- 091 Chairman’s Review
- 092 Directors’ Report
- 100 Sustainability Report
- 124 Role of Chairman and CEO
- 124 Decision Taken by the Board and Delegated to Management
- 124 Board Statement to Establish High Level of Ethics
- 124 Annual Appraisal of the Board’s Performance
- 125 Orientation Courses & (DTP) Directors’ Training Program
- 125 The Credibility of Internal Controls & Systems
- 125 Related Party Policy
- 125 Conflict of Interest Policy
- 125 Management of Conflict of Interest
- 126 Governance of Risk & Internal Controls
- 126 Directors’ Interest in Significant Contracts & Arrangements
- 126 Detail of Directors’ Remuneration
- 126 Security Clearance of Foreign Directors
- 126 Details of Board Meetings Outside Pakistan
- 127 Human Resource Excellence
- 129 Employee Engagement Activities
- 138 Social and Environmental Responsibility Policy
- 138 Communication with Stakeholders
- 138 Dividend Policy
- 138 Investors’ Grievance Policy
- 139 Health and Safety
- 139 Whistle Blowing Policy
- 139 Anti-Harassment Policy
- 140 Records Safety Policy
- 140 Details About Board Meetings & its Attendance
- 140 Review by the Board of the Business Continuity or Disaster Recovery Plan
- 140 Shares held by Sponsors / Directors / Executives
- 142 Directors, Associated Company, Sponsors their Associates
- 143 Independent Auditor’s Review Report
- 144 Statement of Compliance with CCG, 2019
- 147 Board Committees
- 147 Human Resource & Remuneration Committee
- Audit Committee
- Board Sustainability Committee
- 152 Report of Audit Committee
- 154 Status of Whistle Blowing Mechanism
- 154 Attendance in Annual General Meeting
- 154 Enterprise Resource Planning (ERP)
- 155 Impact of Government Policies on Business
- 155 Company’s Contribution to National Exchequer & Economy





Chairman's Review

Dear Stakeholders

I am pleased to present the Chairman's Review for the year on behalf of the Board of Directors.

Pakistan's economy exhibited encouraging signs of macroeconomic stabilization during the year, supported by moderating inflation, relative exchange rate stability, and improved investor confidence. These developments, alongside continued fiscal consolidation and policy consistency, provide a more constructive foundation for industrial growth in the year ahead. Notwithstanding this improving macroeconomic backdrop, the operating environment for the textile sector, particularly the spinning segment, remained challenging on account of elevated conversion costs and high energy tariffs. The Board remains cautiously optimistic that continued policy stability and easing monetary conditions will translate into improved demand and margins for the sector over the medium term.

The Board remained closely engaged with management throughout the year, providing strategic direction and rigorous oversight to ensure that the Company remained responsive to changing market conditions while continuing to pursue sustainable, long-term growth. This engagement was underpinned by the Board's commitment to high standards of corporate governance, transparency, and accountability, which the Board regards as fundamental to safeguarding stakeholder interests and building long-term enterprise value.

The Board recognizes that the competitiveness increasingly depends not only on scale but also on efficiency, technology, product differentiation, energy management and the ability to respond rapidly to changing customer requirements.

During the year, the Board approved capital investments in technologically advanced, energy-efficient machinery, along with greater utilization of renewable energy alongside grid power across the Company's spinning and value-added businesses. These investments are intended to enhance productivity, improve energy efficiency, and strengthen product quality, reinforcing the Company's competitive positioning.

Board Composition and Governance

The Board continued to maintain an appropriate balance of independent, executive and non-executive directors, together with gender representation, providing a broad range of experience and perspectives to support effective decision-making. During the year, Ms. Zulekha Tabba Maskatiya resigned as a Non-Executive Director with effect from September 15, 2025, and the resulting casual vacancy was filled through the appointment of Ms. Fauzia Hasnain as an Independent Director.

The Board and its committees remained actively engaged throughout the year in reviewing the Company's performance and providing guidance, with particular attention to strategy, financial performance, risk management, internal controls, capital expenditure, regulatory compliance, and sustainable development. All Board committees continue to be chaired by independent

directors, reflecting the Board's commitment to independent oversight and robust checks and balances in the Company's governance framework.

The Board also undertook its annual evaluation of its performance and effectiveness. The assessment reaffirmed the Board's continued commitment to fulfilling its responsibilities effectively and providing constructive guidance to management.

Risk management

The Board has adopted a proactive approach to identifying, assessing, and monitoring the Company's principal risks and their potential impact on business performance and long-term objectives. Management continues to develop and implement appropriate mitigation measures, while the Board and its committees monitor material risks within their respective mandates, ensuring that the Company's risk management framework remains robust and responsive to an evolving operating environment.

Sustainability

The Board remains committed to creating value in a manner that balances financial performance with environmental and social responsibility. Sustainability is increasingly integral to the Company's strategy, particularly as customers, regulators and other stakeholders place greater emphasis on responsible production, resource efficiency and environmental performance.

Under the newly constituted Sustainability Committee, the Company continued to strengthen its initiatives relating to environmental considerations, corporate social responsibility, employee development, health and safety, diversity, equity and inclusion, and community engagement.

Outlook

Looking ahead, and with a more stable macroeconomic environment taking hold, the Board will continue to encourage management to navigate remaining sector-specific challenges while capitalizing on emerging opportunities. Our priorities remain to invest in people, processes, and technology to drive efficiency, expand our value-added segments, and deepen customer relationships, all underpinned by the Board's continued emphasis on sound governance and prudent oversight.

On behalf of the Board, I would like to express my sincere appreciation to our shareholders for their continued confidence and support. I also extend my gratitude to our customers, business partners, suppliers, financial institutions and other stakeholders for their continued trust and cooperation.

Muhammad Ali Tabba
Chairman

Karachi: August 04, 2026

Directors’ Report to the Members

Dear Members

The Directors of your Company take pleasure in presenting the financial results for the financial year ended June 30, 2026.

Overview

The principal business activities of your Company include the manufacturing and sale of yarn, knitted bedding products and fabric processing services with manufacturing facilities located in two regions: North and South.

The year under review posed various challenges for the textiles industry, particularly the spinning segment. Despite this, the Company’s net sales increased by 7.07% to Rs. 75.99 billion, compared to Rs. 70.98 billion in the same period last year (SPLY), reflecting continued customer confidence. However, increasing conversion costs with limited pricing flexibility continued to weigh on the gross margins. Against this backdrop, the Company posted net profit of Rs.2.62 billion compared with Rs.2.39 billion SPLY.

Economic and Industrial Overview

The global economy navigated an environment of uneven progress and increased volatility during the fiscal year. Regional conflicts continued to disrupt supply chains and fuel volatility in energy prices, freight, and insurance costs. Elevated interest rates, trade policy uncertainties, and protectionist measures further weighed on global economic activity.

For Pakistan, the Financial Year 2025-26 (FY-26) reflected continued macroeconomic stabilization under the IMF-supported reform program despite a challenging external environment. The Country maintained a stable exchange rate, strengthened foreign exchange reserves, anchored inflation, stable external account position and achieved further improvement in fiscal discipline. However, during the latter part of the financial year, intensifying geopolitical tensions disrupted regional trade and triggered a significant surge in global fuel prices, freight, and insurance costs.

These external shocks reverberated through the domestic economy, disrupting the previously stable inflationary trend as energy prices and logistics costs accelerated. During the year, the country's external balance experienced renewed pressure, as the current account balance posted a deficit of USD 139 million.

Trade deficit widened significantly as import bills escalated by 7.89% to USD 69,597 million compared to USD 64,507 million in SPLY. Conversely, the country’s exports fell by 5.97% to USD 30,126 million against USD 32,040 million in the SPLY. This deficit was substantially cushioned by workers' remittances, which grew by 8.6% to a record cumulative inflow of USD 41.6 billion during FY-26, compared to USD 38.3 billion in the SPLY, acting as an essential buffer for external sector liquidity.

Inflationary pressures resurfaced during the year driven by supply-side disruptions, higher energy prices and increased logistics costs. In view of emerging inflationary pressure, the State Bank of Pakistan – having eased the policy rate to 10.5% earlier in the year – raised it by 100 basis points to 11.5% in April 2026, its first increase since June 2023, and maintained it at that level thereafter to preserve macroeconomic stability while supporting sustainable economic growth.

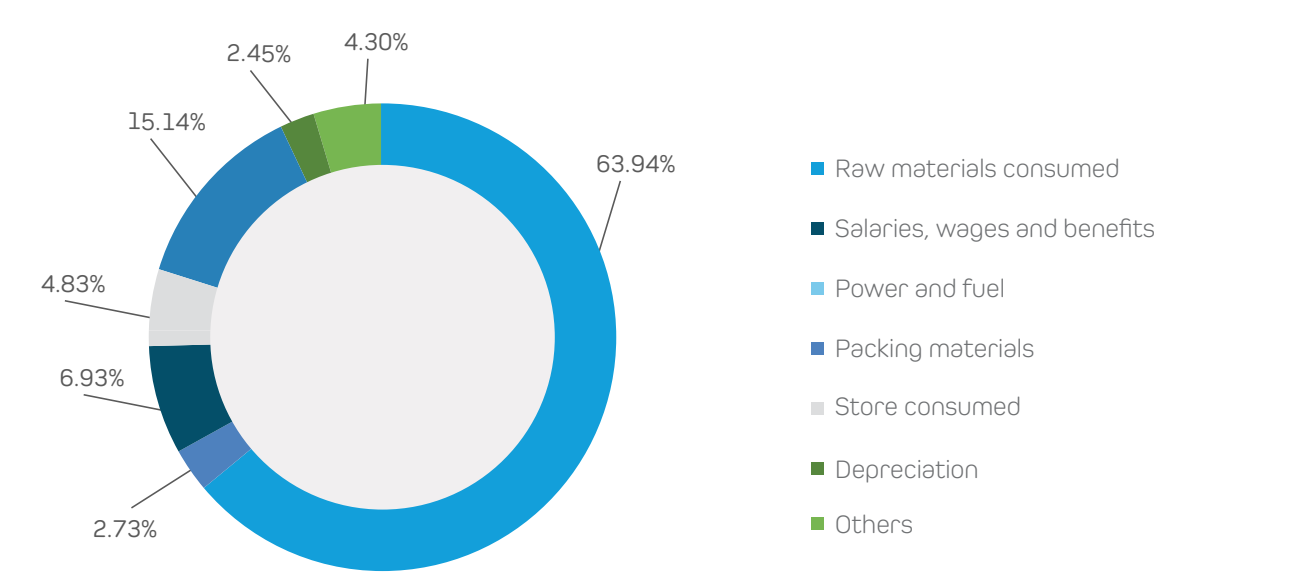
The domestic cotton sector exhibited encouraging signs of recovery. According to the Pakistan Cotton Ginners Association, cotton arrivals reached 527,900 bales as of July 15, 2026, compared with 297,751 bales during the same period last year, representing a significant increase in domestic cotton availability. Although this improvement is expected to provide some relief to the textile value chain, domestic production remains substantially below the industry's annual requirement, necessitating continued reliance on imported cotton.

Financial Results

A comparison of the key financial results of the Company for the year ended June 30, 2026, is as follows:

Profit and loss summary	June 30, 2026	June 30, 2025	Favorable / (Unfavorable)
	Rupees '000		Percentage
Sales (net)	75,995,927	70,979,986	7.07
Gross Profit	5,952,997	6,326,054	(5.90)
Distribution Cost	1,044,449	887,641	(17.67)
Administrative Expenses	722,894	585,309	(23.51)
Other Operating Expenses	238,639	432,295	44.80
Finance Cost	2,438,123	2,523,732	3.39
Other Income	1,415,811	1,702,134	(16.82)
Remeasurement gain on SIDC	932,048	-	0.00
Profit Before Taxation	3,856,751	3,599,211	7.16
Profit After Taxation	2,628,528	2,391,904	9.89
Earnings Per Share (Rs.)	93.78	85.33	

Below is the breakup of manufacturing costs:



The significant component of the cost of goods manufactured consists of raw material, which is 63.94% (2025: 65.86%), while fuel and power rose to 15.14% (2025: 14.30%) on account of higher energy tariffs – a pressure the Company is actively mitigating through operational efficiencies, product-mix optimization and greater use of renewable energy.

- During the period, the overall yarn sales increased by 7.46% compared to the SPLY on account of improved demand toward the latter half of the fiscal year. The sales of knitted bedding products also witnessed steady growth, contributing substantially in achieving overall sales growth. However, improved volumes were partly offset by higher energy costs.
- Gross margins remained under significant pressure from conversion costs, particularly elevated electricity and gas tariffs. However, the Company mitigated their impact through efficient procurement, optimization of the product mix, improved operational efficiencies and better utilization of energy mix, including, grid and renewable energy.
- The rise in Distribution costs is primarily attributed to higher logistics and export-related charges accompanying increased value-added export volumes as well as increase in yarn exports. The increase in administrative expenses was primarily due to continued inflationary impact.
- Finance costs remained broadly stable at Rs. 2,438.12 million compared to Rs. 2,523.73 million SPLY, owing to increased working capital requirements due to higher conversion costs coupled with the capital expenditure incurred mainly in renewable energy and energy efficient machinery.
- During the year, the Company settled its outstanding SIDC liability of PKR 2.8 billion with the Government of Sindh, payable 45% by July 2027 and the balance 55% over 48 quarterly installments. The liability has been recognized at present value using a discount rate of 11.88% per annum, resulting in a discounting gain of PKR 932.05 million recognized under "other income".
- Share of profit from associates registered a sharp decline of 29.50%, from Rs. 1,217.27 million SPLY to Rs. 858 million, primarily attributable to a revised tariff structure impacting shareholder returns in the associated company.
- During the year the Company incurred capital expenditure of approximately Rs. 6,016 million, primarily on the installation of technologically advanced machinery in the spinning, value-added segments and the renewable energy. These investments are aimed at enhancing productivity, energy efficiency and quality and at strengthening the Company's competitiveness in the value-added product range.

Segmental Review of Business Performance

The operations of your Company are primarily divided into two operating segments:

- Spinning segment: manufacturing and sale of yarn
- Manufacturing and sale of knitted bedding products
- Unallocated segments include production and sale of milk and fabric processing services

The segment-wise results of the reportable segment of the Company are as follows:

Profit and Loss Summary	Spinning	Knitted Bedding Products	Spinning	Knitted Bedding Products
	2026		2025	
	Rupees in '000			
Revenue	59,099,122	14,209,491	55,033,875	12,309,496
Profit before tax	2,188,391	1,394,217	2,142,837	946,485

Status of Strategic Investments

During the year, no further investment has been made by the Company in Tricom Solar Power (Private) Limited and Yunus Wind Power Limited.

Previously, the Company had obtained approval for investment in Tricom Solar Power (Private) Limited and Yunus Wind Power Limited on April 13, 2018, from the shareholders. Upon the expiry of the initial 12 months from the previous approval, the Company obtained an extension from the shareholders in the EOGM dated March 20, 2019, for four years or till the Project achieves commercial operations, whichever is later.

Composition of the Board

In line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “CCG”), the Company ensures the representation of Independent and Non-Executive Directors, as well as gender diversity, on its Board.

Appointment / Resignation of Board member

On September 15, 2025, Ms. Zulekha Tabba Maskatiya had tendered her resignation as a Non-Executive Director of the Company, which was accepted by the Board of Directors. The casual vacancy was filled by the Board of Directors by appointing Ms. Fauzia Hasnain as an Independent Director to hold office of director w.e.f., September 15, 2025.

The total number of Directors as of June 30, 2026, is eight, including the Chief Executive as a deemed Director, as per the following:

Total number of directors:		
a) Male		07
b) Female		01

The composition of the Board is as follows:

Particulars	No.	Name of Directors
a) Independent Directors	03	Syed Muhammad Shabbar Zaidi Mr. Moin M. Fudda Ms. Fauzia Hasnain
b) Executive Director	01	Mr. Muhammad Sohail Tabba
c) Other Non-Executive Directors	04	Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba Mr. Ibrahim Sohail Tabba

Committees of the Board:

Following are the details of the members of the Board Audit, Human Resource and Sustainability Committees:

Audit Committee		
1	Syed Muhammad Shabbar Zaidi	Chairman
2	Mr. Moin M. Fudda	Member
3	Mr. Jawed Yunus Tabba	Member
4	Mr. Muhammad Hassan Tabba	Member
5	Ms. Fauzia Hasnain	Member

Human Resource & Remuneration Committee		
1	Mr. Moin M. Fudda	Chairman
2	Mr. Jawed Yunus Tabba	Member
3	Ms. Fauzia Hasnain	Member
4	Mr. Ibrahim Sohail Tabba	Member

Sustainability Committee

1	Ms. Fauziā Hāsnāin	Chairman
2	Mr. Moin M. Fudda	Member
3	Mr. Ibrahim Sohāil Tabba	Member

Attendance of Board Meetings and its Committees

Sr. No.	Director		Attendance			
			Board of Directors	Audit Committee	HR & R	BSC
1	Mr. Muḥammad Ali Tabba	Chairman	6 / 6	4 / 4 *	N / M	N/M
2	Mr. Muḥammad Sohāil Tabba	Chief Executive	6 / 6	4 / 4 *	1 / 1 *	N/M
3	Mr. Jawed Yunus Tabba	Non-Executive Director	6 / 6	4 / 4 *	1 / 1	N/M
4	Mr. Muḥammad Ḥassān Tabba	Non-Executive Director	4 / 6	N/M *	N/M *	N/M
5	Mr. Ibrahim Sohail Tabba	Non-Executive Director	5 / 6	3 / 4 *	N/M *	1 / 1
6	Syed Muḥammad Shabbār Zaidi	Independent Director	5 / 6	3 / 4 *	N/M *	N/M
7	Mr. Moin M. Fudda	Independent Director	6 / 6	4 / 4 *	1 / 1	1 / 1
8	Ms. Fauziā Hāsnāin	Independent Director	5 / 6	N/M *	1 / 1	1 / 1

* Mr. Sohail Tabba attended all meetings of the Committees, by way of invitation.

N/M: Not a member

Leave of absence was granted to directors who could not attend the Board and its Committee’s meetings.

Remuneration Policy of non-Executive Directors

Through the Articles of the Company, the Board of Directors is authorized to fix the remuneration of the Directors. In this regard, the Board of Directors has developed a comprehensive remuneration policy for Non-Executive and Independent Directors of the Company. As per the policy:

- The remuneration of the Board of Directors shall be market-based in accordance with their experience and competencies.
- The Company will not pay any remuneration to its Independent Directors by way of salary except as meeting fees for attending the Board and its Committee meetings.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall be determined from time to time and approved by the Board of Directors.
- The Human Resource and Remuneration Committee (“HR&RC”) shall determine and recommend the remuneration of a Director for attending meetings of the Board of Directors or its Committees subject to approval by the Board, from time to time. The remuneration of the Independent Directors shall be linked to their actual attendance at Board/Board Committee meetings.
- A Director shall be provided or reimbursed for all traveling, hotel, and other expenses incurred by him for attending meetings of the Board or its Committees or General Meetings of the Company.
- Any Director who performs services which, in the opinion of the Board, are outside the scope of the statutory duties of a director may be paid such extra remuneration.

Detail of Directors’ Remuneration

The Company has only one Executive Director, who is also the Chief Executive of the Company. Following are the details of remuneration paid to the Chief Executive during the year:

	Rupees in ‘000	
	2026	2025
Remuneration	30,000	30,000
Bonus	2,500	2,500
Other benefits	2,500	2,500
	35,000	35,000

No remuneration has been paid to other Non-Executive Directors of the Company except for a meeting fee of Rs. 3.250 million (2025: Rs. 2.125 million).

Principal Risks and Uncertainty

Businesses face numerous risks and uncertainties, which, if not properly addressed, might cause serious loss to the Company. The Board of Directors of the Company has carried out a vigilant and thorough assessment of both internal and external risks that the Company might face. Following are some of the risks the Company is facing:

Operational & Supply Chain Risks

- Raw Material Volatility & Climate Vulnerability: High dependence on local cotton crops exposes the Company to extreme weather disruptions (e.g., heatwaves, pest pressures). This causes acute domestic shortages and necessitates heavy reliance on expensive imported raw cotton, impacting operating margins.
- Input Price Fluctuations: Fluctuating raw cotton and man-made fiber costs hinder budgetary forecasting, complicate long-term contracting, and compress margins.
- Technological Obsolescence: Rapid global advancements in automation, artificial intelligence, and sophisticated fabric processing risk marginalizing companies relying on older manufacturing assets, thereby compromising regional and global market competitiveness.
- Supply Chain & Global Logistics Disruptions: Freight rate volatility, container shortages, and regional maritime bottlenecks pose severe delays to both raw material procurement and outbound yarn shipments.
- Energy Reliability vs. Grid Defection Risk: In addition to high energy tariffs, grid power inconsistency and failures force the company to run expensive, self-generated backup power plants.

Financial & Credit Risks

- Credit & Counterparty Default Risk: Local customers experiencing financial strain are at a higher risk of delaying payments or defaulting on local yarn sales, which can result in an increase in the Company's accounts receivable ageing.

- Currency Fluctuations & Exchange Rate Exposure: Extreme rupee volatility escalates the landed cost of imported machinery and raw materials while making foreign exchange export earnings highly unpredictable.
- Elevated Borrowing Costs: Persistent high policy rates heavily escalate financing and leverage costs, squeezing net margins and constraining working capital management.

Market & Export Demand Risks

- Global Demand Squeeze & Geopolitical Friction: Ongoing international recessionary pressures and shifting geopolitical dynamics continue to soften international demand for textile products, directly impacting export order books.
- Intensifying Regional Competition: The local spinning sector faces acute price and volume competition from regional textile peers operating under superior economic incentives.

Fiscal, Regulatory & Compliance Risks

- Escalating Conversion & Utility Costs: Persistent inflation, combined with repeated upward revisions in grid electricity and gas tariffs, has substantially increased conversion costs, eroding the business's cost-competitiveness.
- Fiscal Uncertainty & Liquidity Tie-ups: Amendments to tax frameworks and enduring prolonged sales tax refund cycles, severely lock up vital corporate liquidity.
- Tariff and Trade Policy Risks: Unfavorable changes in regional cross-border duties or the sudden withdrawal of export facilitation can trigger a contraction in international sales volumes.

Change in the Nature of Business

No significant changes have occurred during the FY concerning the nature of the business of the Company.

Pattern of Shareholding

The pattern of shareholding and additional information as of June 30, 2026, is part of the Annual Report of your Company. The associated company owns 69.57%, Banks / Insurance / REITS / Mutual & Pension Funds own 7.46%, Directors own 0.05%, and individuals own 22.91% of the entire shareholding.

Repayments of Debts / Loans

The Company maintains a robust cash flow management framework under which cash inflows and outflows are regularly projected, monitored, and reviewed. This disciplined approach enables the Company to meet its financial obligations in a timely manner while remaining well positioned to address potential liquidity challenges. To support this objective, management continuously endeavors to optimize borrowing costs by maintaining a balanced funding mix and arranging financing on competitive terms.

Adequacy of Internal Financial Control

The Board of Directors has established an effective system of internal financial controls to support the efficient and orderly conduct of the Company's business. These controls are designed to prevent and detect fraud and errors, safeguard the Company's assets, ensure compliance with applicable laws and regulations, maintain the accuracy and completeness of accounting records, and facilitate the timely preparation of reliable financial information.

The Company's internal financial controls are reviewed periodically to ensure their continued effectiveness and are updated, where necessary, to reflect changes in applicable laws, regulations, and business requirements.

Sustainability-Related Risks

The Company has adopted a proactive approach to managing sustainability-related risks by integrating sustainability into its business strategy. Key sustainability risks include environmental, social and governance (ESG) factors, supply chain disruptions, regulatory and compliance requirements, reputational risks, and technology and resource transition risks.

To address these risks, the Company conducts regular risk assessments, engages with stakeholders, invests in sustainable technologies, and continuously monitors evolving sustainability trends and regulatory developments. Management has also established measurable ESG targets aligned with the Company's long-term strategic objectives of enhancing resilience and creating sustainable value.

The Company continues to invest in environmentally responsible technologies that support responsible consumption and production. While these investments may impact short-term profitability, they are expected to strengthen long-term competitiveness, customer relationships, and business value. Progress against ESG objectives is monitored through quarterly reporting to the Board, ensuring effective oversight and transparency.

Diversity, Equity, and Inclusion (DE&I)

The Company is committed to fostering a diverse, equitable, and inclusive workplace where all employees are valued, respected, and provided with equal opportunities to succeed. Promoting diversity, equity, and inclusion (DE&I) is a key priority and forms an integral part of the Company's sustainable and ethical business practices.

The Company is developing a comprehensive DE&I strategy with measurable objectives aimed at enhancing gender and ethnic diversity and strengthening inclusion across all levels of the organization. To support these objectives, the Company promotes inclusive recruitment practices, including the use of diverse recruitment channels, unbiased hiring processes, and diverse interview panels. In addition, employees receive regular DE&I training covering topics such as unconscious bias, cultural competency, and inclusive leadership to help foster an inclusive workplace culture.

Corporate Social Responsibility (CSR)

The Company remains committed to creating sustainable social value through responsible initiatives that promote healthcare, education, inclusion, environmental stewardship,

and community well-being. Guided by the values of compassion and responsible corporate citizenship, our CSR activities continue to make a meaningful and lasting impact on the communities in which we operate.

During the period, the Company visited ChildLife Foundation, where employees spent meaningful time with young patients, promoting empathy and emotional well-being. The Company also strengthened its support for the healthcare sector by donating high-quality hospital sheets to Murshid Hospital & Health Care Centre and organizing a blood donation drive at its Kathore facility in collaboration with Indus Hospital to encourage voluntary blood donation and support patients in need. Continuing its commitment to inclusion, the Company visited KDSP – A Down Syndrome Organization and supported NOWPDP through the donation of textile machinery to promote vocational skill development and employment opportunities for persons with disabilities.

The Company also sponsored school uniforms for children at SOS Children's Villages Pakistan, supporting their education and overall well-being. During the holy month of Ramadan, the Company sponsored an Iftar drive at Sirat-ul-Jannah in collaboration with SWAT – Social Welfare and Trust, fostering compassion and community togetherness.

In support of environmental sustainability, employees participated in a mangrove plantation drive at the Mangrove Diversity Park, while a plantation campaign involving 400 saplings was conducted at the Amazai facility in collaboration with the Government of Khyber Pakhtunkhwa. Additionally, the Company observed World Diabetes Day through health awareness initiatives, promoting healthy lifestyles and preventive healthcare among employees and the wider community.

Through these initiatives, the Company continues to strengthen its commitment to responsible corporate citizenship by creating positive social, environmental, and community impact.

Training & Development

The Company believes that investing in its people is fundamental to sustainable growth and long-term success. Through a diverse portfolio of learning and development initiatives, employees were equipped with the knowledge, skills, and mindset required to excel in an evolving business environment.

Guided by a culture of continuous learning, collaboration, and innovation, the Company's training programs focused on leadership, ethics, communication, financial literacy, health and well-being, and workplace excellence.

During the year, the Company continued to strengthen employee capabilities through Learning Café, its flagship learning platform for knowledge sharing and professional development. Sessions covered a wide range of topics, including AI (Power of LLM), Reaction vs.

Response, Sustainability (The Only Way Forward), Head Says Yes, Heart Says No, The Art of Empowering Teams, The Impact of Positive Workplace Culture, Mastering Alliance and Negotiation, Face Everything and Rise,

Control: Key to Organizational Success, Retirement and Money Management, The Velocity of Execution, The Power Circle – Transform Your Leadership & Life, The Foundation of Integrity, and The Divine Equilibrium: Navigating Professional Excellence Through Shariyah Boundaries. These sessions enhanced employees' capabilities in leadership, communication, ethical decision-making, financial planning, execution excellence, personal effectiveness, and continuous learning.

The Company also delivered several targeted development programs to reinforce organizational values and workplace effectiveness. Code of Conduct Policy sessions at the Karachi Project (Kathore) and Amazai strengthened awareness of ethics, accountability, and compliance, while Building High-Performance Teams, Communication Strategies for Success, and Negotiation & Conflict Resolution Skills enhanced collaboration, communication, and teamwork across the organization. Female employees also participated in WomenEra – Women, Wellness & Wisdom, providing opportunities for learning, networking, and personal growth.

Health & Safety

Employee health, safety, and well-being remained a key priority throughout the year. Fire Safety Induction, Mental Health Awareness, and Ramadan & Health, conducted in collaboration with SOCH, promoted emergency preparedness, preventive healthcare, and overall employee wellness. Additionally, the Company organized a Corporate Self-Defense: Protecting Your Reputation, Performance & Professional Influence session in collaboration with Superwomen Pakistan, equipping employees with practical strategies to strengthen their professional presence, credibility, and workplace confidence.

Through these initiatives, the Company continues to foster a culture of continuous learning by empowering employees with the knowledge, skills, and confidence needed to drive innovation, uphold organizational values, and contribute to sustainable business success.

Director’s Training

The directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the relevant laws, including the Companies Act, 2017, the CCG and the PSX Rulebook.

Auditors

The present External Auditors, M/s. Yousuf Adil, Chartered Accountants, have completed the annual audit for the year ended June 30, 2026, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered

themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending on June 30, 2027.

Future Outlook

Pakistan's economic outlook remains encouraging, driven by improving macroeconomic fundamentals, stronger foreign exchange reserves, sustained remittances, and continued reform under the IMF program. S&P Global Ratings' recent upgrade of Pakistan's sovereign rating to 'B' with a Stable Outlook reflects growing confidence in fiscal governance and debt sustainability. Sustained growth, however, will depend on continued fiscal discipline, a broader tax base, stronger export competitiveness, and accelerated structural reform.

The textile and spinning sector is expected to remain under pressure. Despite improved cotton arrivals, structural challenges persist: high energy tariffs, raw material volatility, regional competition, liquidity constraints, and rising export compliance costs. A competitive cost base and consistent policy support remain key to strengthening Pakistan's position in global textile markets.

Despite persistent high energy costs and competition from imported alternatives, the Company remains focused on enhancing operational efficiency through cost optimization, full capacity utilization, and disciplined working capital management. Strategically, it continues to expand into value-added segments, target untapped markets, and refine its sales mix to strengthen profitability and deliver sustainable long-term value to shareholders.

Dividend

Keeping in view of the Company's strategic investment plans, operational requirements and cash flow position, the Board of Directors has recommended a final cash dividend of Rs. 5 per share for the year ended June 30, 2026.

Subsequent Events

There are no material changes and commitments affecting the financial position of the Company between the end of the FY and the date of this report.

Acknowledgments

The Directors place on records their sincere appreciation for the dedication and hard work of the Company's workers, staff and executives, and for the continued support and confidence of its shareholders, customers, suppliers, banks and other stakeholders.

For and on behalf of the Board

Chairman / Director

Karachi: August 4, 2026

Chief Executive Officer

Sustainability Report

CONTENTS

About this report

- 1. Sustainability and value creation
 - 1.1 Reporting scope and boundary
- 2. Basis of preparation
 - 2.1 Estimates, assumptions and measurement uncertainty
 - 2.2 Key limitations
 - 2.3 Comparative information
 - 2.4 Connected information
 - 2.5 Materiality assessment
 - 2.5.1 Approach to materiality
 - 2.5.2 Initial sustainability-topic assessment
 - 2.5.3 Stakeholder engagement and management review
 - 2.5.4 Prioritisation and assessment
 - 2.5.5 Management review and Board validation
- 3. Governance
 - 3.1 Overall governance structure
 - 3.2 Board of Directors' oversight
 - 3.3 Board skills and competencies
 - 3.4 Role of Board committees
 - 3.5 Information flow and oversight
 - 3.6 Integration with risk management and decision-making
 - 3.7 Sustainability-related policies and codes
 - 3.8 Targets, monitoring and incentives
 - 3.9 Internal controls and assurance
 - 3.10 Governance maturity and continuous improvement
- 4. Strategy
 - 4.1 Strategic sustainability and climate approach
 - 4.2 Material sustainability- and climate-related risks and opportunities
 - 4.2.1 SRROs
 - 4.2.2 CRROs
 - 4.3 Strategic objectives and focus areas
 - 4.4 Business model and value-chain effects
 - 4.5 Strategic integration of SRROs and CRROs
 - 4.5.1 Sustainability and climate in financial planning
 - 4.6 Sustainability and climate-related strategic resilience
 - 4.7 Broader sustainability strategy

- 4.7.1 Environmental compliance and supply chain
 - 4.7.2 Markets, innovation and communication
 - 4.7.3 Workforce capability, health and inclusion
 - 4.7.4 Ethics and digital resilience
- 4.8 Climate strategy
 - 4.8.1 Energy and emissions
 - 4.8.2 Water and raw-material resilience
 - 4.8.3 Products, markets and sustainable finance
- 4.9 Strategic planning approach
- 4.10 Financial effects of material R&Os
 - 4.10.1 Anticipated financial effects by horizon
 - 4.10.2 Potential material asset and liability adjustments
 - 4.10.3 Expected changes in financial position
 - 4.10.4 Investment plans and sources of funding
 - 4.10.5 Expected performance and cash-flow effects
- 5. Risk management
 - 5.1 SRRO and CRRO management framework
 - 5.2 Assessment inputs and parameters
 - 5.3 Prioritisation of sustainability and climate-related matters
 - 5.4 Reporting-period developments and monitoring
 - 5.5 Integration with the ERM framework
 - 5.6 Risk management, strategy and performance
- 6. Metrics and targets
 - 6.1 Climate-related metrics
 - 6.1.1 Energy consumption and energy mix
 - 6.1.2 Scope 1 and Scope 2 emissions
 - 6.1.3 Water withdrawal and consumption
 - 6.1.4 Transition opportunity monitoring
 - 6.1.5 Performance monitoring status
 - 6.2 Broader sustainability metrics
 - 6.2.1 Environmental compliance and resource use
 - 6.2.2 Responsible supply chain
 - 6.2.3 Ethics, claims and digital resilience
 - 6.2.4 Market presence and innovation
 - 6.3 Social and workforce metrics
 - 6.3.1 Human rights and labour practices
 - 6.3.2 DE&I

Sustainability Highlights

About this report

This Sustainability Report presents the principal sustainability developments, governance arrangements, material topics and environmental, social and governance (ESG) performance of Gadoon Textile Mills Limited (GTML) for the financial year 2025-26 (FY-26). It forms part of GTML's Annual Report and provides stakeholders with an interim account of GTML's progress as it develops more comprehensive sustainability-related financial disclosures.

GTML falls within Phase 1 of the Securities and Exchange Commission of Pakistan's (SECP) phased roadmap for the adoption of IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2, Climate-related Disclosures. During FY-26, GTML continued to strengthen its sustainability governance, risk and opportunity assessment, data systems and reporting processes in preparation for more comprehensive disclosures. In line with the applicable reporting timeline, GTML intends to publish a detailed Sustainability Report within the permitted period, providing expanded information across governance, strategy, risk management and metrics & targets.

The report has been prepared primarily for users of GTML's general-purpose financial report, while also addressing information relevant to employees, customers, suppliers, regulators, communities and other stakeholders. It focuses on sustainability-related risks and opportunities that could reasonably be expected to affect GTML's prospects, alongside GTML's material impacts on the economy, environment and people.

1. Sustainability and value creation

GTML identifies sustainability priorities that reflect both sustainability and climate-related matters that could reasonably be expected to affect GTML's prospects and the impacts of its activities on the environment, employees, communities and other stakeholders. These priorities shape GTML's approach to operational performance, resource security, business continuity, supply-chain resilience, customer expectations and long-term financial performance, while supporting responsible environmental and social outcomes.

Environmental priorities encompass energy efficiency, renewable energy, greenhouse gas (GHG) emissions reduction, water stewardship, wastewater treatment, resource recovery, responsible materials sourcing and waste reduction. GTML is progressing these priorities through initiatives including solar energy, heat-recovery systems, energy-efficient equipment, reverse osmosis (RO) facilities and effluent treatment plant (ETP) infrastructure. GTML is also advancing circularity through the recovery and productive reuse of materials generated by its operations.

Social priorities include occupational health and safety (OH&S), human rights, fair labor practices, employee development, diversity and inclusion, workforce wellbeing, responsible supply-chain practices and community engagement. These areas are supported through employee training, health and wellness programs, workplace safety initiatives, employee volunteering and community investment. Business ethics, regulatory compliance, data privacy, responsible communication and stakeholder engagement provide the governance foundation for effective implementation and accountability.

Collectively, these priorities provide a basis for integrating sustainability considerations into strategy, risk management, operational planning and target setting. GTML considers the interdependencies and potential trade-offs between financial performance, environmental stewardship and social wellbeing when assessing management responses and allocating resources, supporting resilience and sustainable value creation over the short, medium and long term.

1.1 Reporting scope and boundary

This Sustainability Report covers the financial year ended June 30, 2026 (FY-26) and should be read together with GTML's Annual Report for the corresponding financial year.

Unless otherwise stated, the quantitative and qualitative disclosures presented in this report relate to GTML and the business units within its reporting boundary: the Head Office in Karachi; the manufacturing facility at Gadoon Amazai Industrial Estate, District Swabi; the manufacturing facility at 57 km on Super Highway, near Karachi; and the Liaison Office in Peshawar.

In identifying and assessing sustainability and climate-related risks and opportunities, GTML considers relevant upstream and downstream value chain exposures that could reasonably be expected to affect GTML's prospects. The extent of value chain consideration may vary by sustainability-related matter, reflecting the availability and quality of information, the nature and extent of GTML's exposure or influence and the potential implications for its business model, strategy, financial performance, financial position and cash flows.

Where sustainability-related matters have actual or reasonably expected implications for GTML's strategy, operations or financial performance and position, the report describes these connections based on information reasonably available to GTML at the reporting date.

2. Basis of preparation

This Sustainability Report has been prepared to support GTML's adoption of IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2, Climate-related Disclosures. The report is structured around the four core areas of governance, strategy, risk management and metrics and targets, providing information on sustainability and climate-related risks and opportunities that could reasonably be expected to affect GTML's prospects.

In identifying sustainability-related risks and opportunities and determining relevant disclosures, GTML has also considered the Sustainability Accounting Standards Board (SASB) Standards and applicable industry-based guidance, where relevant to GTML's activities and circumstances.

Accordingly, this report reflects the current maturity of GTML's sustainability reporting processes and information available for FY-26. Where particular disclosure requirements are subject to transitional relief, data limitations or developing methodologies, these are identified, where relevant, within the respective disclosures. The report should therefore not be interpreted as an unqualified statement of full compliance with IFRS S1 and IFRS S2.

2.1 Estimates, assumptions and measurement uncertainty

The preparation of sustainability-related financial disclosures may require the use of estimates, assumptions and management judgement, particularly where information cannot be directly measured or where measurement methodologies continue to evolve. GTML uses reasonable and supportable information available at the reporting date in developing such estimates and assumptions.

Material measurement uncertainty, methodological limitations, significant exclusions and changes in measurement approaches are disclosed alongside the relevant information, where applicable, to support an understanding of the basis on which reported information has been prepared. Where material estimates are used, GTML intends to disclose the relevant methodology, source data, assumptions and principal sources of measurement uncertainty. GTML is strengthening data ownership, supporting documentation, validation procedures and review controls to improve the reliability and comparability of reported information over successive reporting periods.

Key areas of judgement include the selection and classification of sustainability topics, the assessment of likelihood and impact, the assignment of time horizons, the classification of climate-related risks and opportunities, the identification of relevant value chain effects and the determination of materiality thresholds.

GTML is developing a more formal process for documenting, reviewing and approving these judgements. The detailed Sustainability Report will provide further information where specific judgements materially affect the interpretation of a disclosure.

2.2 Key limitations

FY-26 represents GTML's first reporting cycle developed with reference to the IFRS Sustainability Disclosure Standards. Certain systems, methodologies and internal controls remain under development.

Further development includes the detailed quantification of the current and anticipated financial effects of material sustainability-related matters, climate scenario analysis, value-chain information, selected emissions data and the establishment of complete baselines and measurable milestones for certain targets.

These limitations do not prevent GTML from reporting the information currently available. They have been identified to provide transparency regarding the maturity of GTML's reporting processes and will guide improvements in subsequent reporting cycles.

2.3 Comparative information

Prior-period comparative metrics and year-on-year analysis are not presented in this report. FY-26 serves as the current reporting baseline for relevant sustainability performance and metrics as GTML's reporting systems and methodologies continue to mature.

2.4 Connected information

GTML seeks to present sustainability information in a manner that enables users to understand the relationships between material sustainability and climate-related matters and GTML's governance, strategy, risk management, operational performance and financial prospects.

Information on material risks and opportunities is therefore connected, where evidence is available, with the related policies, management actions, performance indicators and targets. GTML also seeks consistency between the assumptions, reporting periods and financial information used in its sustainability disclosures and those applied in its general-purpose financial statements. GTML is strengthening the traceability of these connections, particularly where sustainability matters may influence

operating costs, capital requirements, business continuity, supply-chain resilience, customer access or longer-term strategic decisions. Where a direct financial effect cannot presently be quantified, the matter will be described qualitatively and the limitation disclosed.

2.5 Materiality Assessment

2.5.1 Approach to materiality

GTML conducted a structured materiality assessment to identify and assess sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect GTML's prospects over the short, medium and long term. The assessment considered GTML's business activities, operating context and relevant value chain exposures, together with industry-specific sustainability matters and stakeholder perspectives.

Environmental and social impacts, together with stakeholder perspectives, were considered as additional inputs to provide broader context and incorporate an impact materiality perspective alongside the financial materiality assessment. These considerations complemented, but did not replace or modify, the financial materiality assessment applied in determining material sustainability-related information.

This process resulted in 16 sustainability topics across environmental, social and governance considerations. These topics provided the basis for identifying potential sustainability-related and climate-related risks and opportunities across GTML's operations and value chain.

Accordingly, sustainability matters identified through the broader assessment were further evaluated to determine whether the associated risks and opportunities could reasonably be expected to affect GTML's prospects over the short, medium or long term. This assessment supported the determination of material information presented in this report.

2.5.2 Initial sustainability-topic assessment

The assessment commenced with a review of sustainability topics identified and reported in the preceding reporting period, providing continuity with GTML's existing sustainability priorities. This review was supplemented by consideration of sustainability matters identified through the applicable SASB industry-based guidance for the textile and apparel sector and relevant industry-based guidance accompanying IFRS S2, taking into account their relevance to GTML's activities, operating context and value chain.

An initial evaluation was undertaken by personnel working within the relevant functions and operational areas, drawing on their direct knowledge of GTML's activities, processes, workforce, resource requirements, supply chain, customers and operating environment. This enabled sustainability-related matters to be identified from an operational perspective and provided the foundation for subsequent management review, stakeholder engagement and prioritization.

2.5.3 Stakeholder engagement and management review

Following the initial assessment, the identified sustainability topics were reviewed by relevant departmental and functional heads, drawing on their management experience and understanding of GTML's operations and business context.

The assessment was further supported by engagement with internal and external stakeholders, incorporating their perspectives on the relevance and significance of the identified topics. These inputs provided the basis for the subsequent prioritization and materiality assessment.

2.5.4 Prioritization and assessment

A structured prioritization exercise was undertaken to assess the relative significance of the identified sustainability topics, considering their potential financial implications, operational relevance, stakeholder perspectives and environmental and social impacts. This process supported the refinement and prioritization of topics for materiality assessment.

2.5.5 Management review and Board validation

The prioritized topics were reviewed by the Board Sustainability Committee (BSC), supporting Board-level oversight of the materiality process and refined based on their strategic significance, operational relevance and management insights. Detailed information on the material risks and opportunities, anticipated effects and management responses is presented in Sections 4 and 5, while the assessment parameters, including timing considerations, are described in Section 5.2. The BSC's role in review, approval and validation is described in Section 3.4.

The materiality assessment is expected to be reviewed annually, or earlier where significant events or material changes in circumstances arise, to ensure that the identified material topics remain relevant to GTML's business and operating context.

As a result of this process, GTML identified 14 material sustainability topics, categorized as follows:

Environment	Social	Governance
Energy and Water	Human Rights	Business Ethics
Carbon Emissions	Health and Safety	Compliance
Material Consumption (Management of Chemicals in Products)	Training and Education	Data Privacy and Cyber Security
	Supply Chain Management (Environmental Impacts and Labor Conditions in the Supply Chain)	Marketing Communications Economic Performance Market Presence Materials Sourcing & Efficiency (Raw Materials Sourcing)

These material topics form the basis for the sustainability and climate-related disclosures presented in this report. The identified topics are further assessed through GTML's sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), considering their potential implications for GTML's prospects, together with its interactions with environmental and social systems.

3. Governance

GTML's sustainability governance framework establishes accountability for oversight, management, implementation and reporting of sustainability- and climate-related matters. During FY-26, GTML strengthened this framework through dedicated Board-level sustainability oversight and a management coordination structure designed to connect sustainability priorities with strategy, risk management, operations and performance monitoring.

Governance connectivity

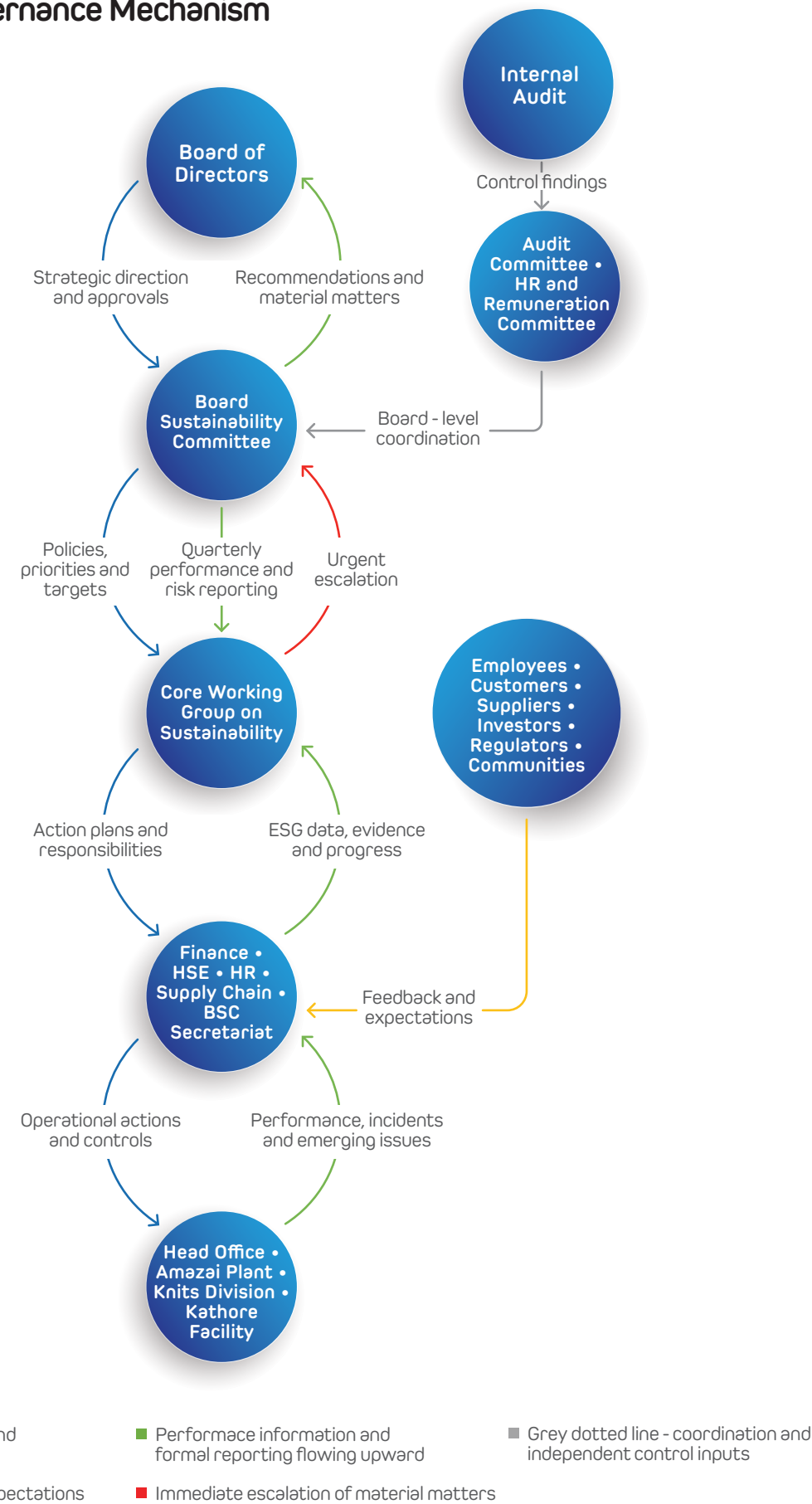
Governance provides the oversight and accountability layer for the other core sections of this report. The selected SRROs and CRROs are presented in Section 4 - Strategy; the processes used to identify, assess, priorities and monitor them are described in Section 5 - Risk Management; and the measures used to monitor performance are presented in Section 6 - Metrics and Targets.

3.1 Overall governance structure

GTML's sustainability governance framework operates through interconnected Board, committee, management and operational layers. The Board of Directors retains ultimate accountability for sustainability and climate-related matters. The BSC provides focused oversight on behalf of the Board. The Core Working Group on Sustainability coordinates management-level implementation and reporting, while relevant functions and operating locations implement approved actions, maintain supporting information and monitor performance.

Governance layer	Primary role in sustainability and climate matters
Board of Directors	Ultimate accountability for strategic direction, long-term resilience, integration of material sustainability and climate matters into key decisions and oversight of sustainability-related disclosures.
BSC	Focused oversight of sustainability strategy and policies, material SRROs and CRROs, environmental and social performance, risk integration, stakeholder matters, targets and sustainability reporting.
Core Working Group on Sustainability	Management coordination, implementation, consolidation of ESG information, assessment of operational and financial implications, monitoring of actions and escalation of material matters.
Functions and operating locations	Implementation of approved initiatives and controls, source-data maintenance, incident and risk reporting, performance monitoring and execution of corrective actions.
Internal Audit / control functions	Independent control input where sustainability governance, risk management and reporting controls fall within the approved audit or control scope.

Sustainability Governance Mechanism



The governance mechanism distinguishes strategic direction, routine performance reporting, immediate escalation, stakeholder feedback and coordination with supporting Board committees and independent control functions.

3.2 Board of Directors' oversight
The Board retains overall accountability for sustainability and climate-related matters, including oversight of the processes used to identify, assess and manage material sustainability- and climate-related risks and opportunities and their integration into strategy, enterprise risk management (ERM) and significant business decisions. Delegation of focused review to the BSC does not transfer the Board's ultimate responsibility for strategic direction, long-term resilience and the integrity of sustainability-related reporting. The materiality review and BSC validation process is described in Section 2.5.5.

The Board receives the key deliberations, findings, recommendations and decisions of the BSC through the Committee Chair. Matters with significant implications for GTML's strategy, operations, financial position or stakeholder relationships may be escalated for Board consideration.

3.3 Board skills and competencies
GTML's wider corporate-governance framework supports Board capability through director training, formal evaluation processes and access to specialist expertise. The BSC may engage external experts or commission independent assessments where additional technical knowledge is required to support its oversight responsibilities.

GTML continues to strengthen sustainability- and climate-related capability across its governance structure. A governance target has been established to build ESG awareness across the Board, supported by director training, formal evaluation processes and access to functional leaders, technical specialists and external advisers where appropriate. These arrangements provide a basis for progressively strengthening the assessment and documentation of relevant Board sustainability competencies.

3.4 Role of Board committees
Sustainability oversight is coordinated across Board committees where responsibilities intersect. The BSC provides the dedicated sustainability and climate oversight role, while the Board Audit Committee and Human Resource and Remuneration Committee (HR&R Committee) support areas within their established mandates.

Committee	Sustainability-related role
BSC	Reviews and recommends sustainability strategy; oversees key sustainability policies; monitors climate-related physical and transition risks and opportunities; reviews environmental and social performance; supports ERM integration; oversees stakeholder engagement, targets, disclosure integrity and consideration of external assurance.
Board Audit Committee	Complements BSC oversight in areas including risk management, sustainability-reporting controls, data integrity, internal audit and assurance readiness. The existing Audit Committee framework also oversees internal control and risk management arrangements and whistleblowing mechanisms.
HR&R Committee	Provides oversight of workforce-management matters including diversity, employee development, succession planning, remuneration and related people-governance processes.

The BSC Terms of Reference further cover oversight of sustainability strategy and key policies; climate-related risks and opportunities; environmental performance relating to water, energy, waste, GHG emissions, biodiversity and legal compliance; workforce, health and safety, community and supply-chain matters; ERM integration; stakeholder engagement; disclosure integrity; diversity-related information; and consideration of external assurance.

As part of its oversight role, the BSC reviewed and approved the material SRROs and CRROs, together with the related disclosures and validated the final list of material topics.

3.5 Information flow and oversight
The governance framework is designed around both downward and upward information flows. Strategic direction, policies and approved actions flow from the Board and BSC through the Core Working Group to relevant functions and operating locations. Performance information, emerging risks and opportunities, implementation progress, incidents and matters requiring attention flow upward through the same structure.

The Core Working Group provides quarterly reporting to the BSC, or more frequently where required. Reporting covers progress against sustainability priorities and targets, ESG performance trends, environmental and OH&S performance, workforce and human-rights matters, sustainable sourcing, regulatory developments, climate-related risks and opportunities, stakeholder concerns and significant investment requirements.

The Core Working Group on Sustainability is the principal management forum supporting the BSC. Led by the Chief Financial Officer (CFO), it brings together Finance, Supply Chain, Human Resources, Health, Safety and Environment (HSE) and the BSC Secretariat to coordinate implementation of approved sustainability strategies, policies, targets and initiatives. The Working Group translates strategic direction into operational actions, consolidates ESG information, identifies risks, data gaps and implementation challenges, and escalates matters requiring strategic guidance, investment approval or Board-level consideration.

Significant regulatory breaches, serious health and safety incidents, major ESG compliance failures, material reporting-control weaknesses and other matters that could significantly affect GTML is escalated without waiting for the next scheduled report. Decisions and directions are then communicated through the governance structure for implementation and monitoring.

3.6 Integration with risk management and decision-making

GTML's governance framework connects sustainability oversight with strategic planning, financial planning and ERM. Relevant functions and operating teams assess material exposures and potential operational and financial implications, including costs, capital requirements, business continuity, market access and supply-chain resilience. The Core Working Group consolidates this information for management review and BSC consideration.

Where relevant, sustainability and climate-related considerations can be considered operating and capital expenditure (CAPEX), major investments, sourcing and operational decisions, product and market development and adjustments to business processes. Detailed strategic responses are presented in Section 4, while the underlying risk management process is described in Sections 5.1 to 5.5.

3.7 Sustainability-related policies and codes

GTML's policy framework provides the standards and control expectations through which sustainability priorities are implemented. Relevant management functions are responsible for implementation, communication and ongoing compliance, while the BSC oversees development and periodic review of key sustainability-related policies.

Governance / strategic area	Supporting policies and codes	Role in the framework
Ethical conduct and accountability	Code of Conduct Policy; Related Party Transaction Policy; Whistleblowing Policy, Anti-Harassment Policy	Support integrity, legal compliance, conflict management, responsible conduct and confidential reporting of concerns.
People and responsible leadership	Remuneration Policy for Directors & Members of Senior Management; Human Resource Management Policy	Support transparent remuneration, recruitment, development, workplace conduct, equal opportunity, fair labor practices, diversity and employee wellbeing.
Environmental and social responsibility	Environmental, Sustainability and Corporate Social Responsibility (CSR) Policy	Provides direction for environmental compliance, pollution prevention, energy and water efficiency, waste management, responsible resource use and community investment.
Risk management and resilience	Risk Management Policy	Establishes the enterprise approach to identifying, assessing, responding to and monitoring risks, with sustainability and climate considerations progressively integrated into the framework.
Stakeholder engagement and responsiveness	Stakeholder Engagement Policy; Shareholder Grievance Policy	Supports engagement with employees, investors, customers, suppliers, communities and regulators and provides mechanisms for receiving and responding to concerns.

The BSC's oversight mandate also covers key environmental, OH&S, human-rights and labour, diversity, equity and inclusion (DE&I) and anti-harassment policy areas, reflecting the breadth of sustainability matters considered within the governance framework.

3.8 Targets, monitoring and incentives

Management develops sustainability priorities, targets and key performance indicators (KPIs) with reference to material risks and opportunities, strategic objectives, regulatory requirements, operational capabilities and data maturity. The BSC reviews management proposals and monitors whether approved targets remain measurable, appropriately supported and aligned with GTML's strategy and risk profile.

The Core Working Group translates approved priorities into departmental objectives and action plans, assigns implementation responsibilities and monitors progress. Performance reporting covers progress against targets, implementation challenges, material incidents, data limitations and corrective actions. Detailed current-period metrics and targets status are presented in Section 6.

GTML is progressively strengthening the connection between sustainability priorities, performance monitoring and management accountability. Continued development of measurable KPIs and supporting governance processes will provide a stronger basis for evaluating how sustainability-related performance may be reflected within remuneration and incentive arrangements. A specific sustainability-linked remuneration metric has not yet been incorporated into this reporting cycle.

3.9 Internal controls and assurance

The BSC oversees the integrity of sustainability-related disclosures, while management remains responsible for the underlying reporting processes and controls. The Core Working Group coordinates data ownership, methodologies, supporting evidence, validation, consolidation and management review. Material data gaps, inconsistencies or control weaknesses are escalated where they could affect the reliability of reported information.

GTML's existing internal-audit framework provides an additional independent control layer. Internal Audit reports functionally to the Board Audit Committee and may assess relevant sustainability governance, risk management and reporting controls where these matters are included within the approved audit plan. Internal Audit also maintains the enterprise risk register. The BSC may recommend external assurance where appropriate as assurance readiness develops.

3.10 Governance maturity and continuous improvement

FY-26 represents an important development stage in GTML's sustainability governance. The BSC was established during the reporting period and operates under defined Terms of Reference covering strategy and policy oversight, climate-risk management, environmental and social performance, risk integration, disclosure, stakeholder engagement and assurance considerations.

Following its establishment, the BSC held one meeting during FY-26. Its Terms of Reference establish a recurring meeting cadence for sustainability oversight and allow additional meetings where specific matters require. The Core Working Group meets at least quarterly and may engage functional leaders, technical specialists and external advisers as appropriate.

The BSC Terms of Reference also provide for annual self-assessment of the Committee's performance and effectiveness, reporting of key deliberations and recommendations to the Board through the BSC Chair, and access to external specialist support where additional expertise is required.

GTML's governance priorities include continuing to strengthen sustainability and climate-related knowledge, information quality, internal controls, action tracking and assurance readiness. These improvements are being progressed alongside the development of GTML's strategy, risk management processes and metrics and targets, so that governance maturity develops as an integrated part of the broader sustainability-reporting framework.

4. Strategy

4.1 Strategic sustainability and climate approach

GTML's strategic approach integrates business growth, operational efficiency, responsible resource use, environmental and social performance, ethical conduct and long-term resilience. GTML's corporate strategy emphasizes sales growth and expansion of market presence, operational efficiency, business and product diversification, continued investment in advanced technology, high ethical and professional standards and sustainable manufacturing.

Sustainability and climate-related considerations are progressively being incorporated into GTML's strategic planning and business decision-making, including decisions relating to resource allocation, operational improvements, sourcing, product and market development and significant investments. The governance arrangements supporting this integration are described in Sections 3.1 to 3.6.

GTML's climate approach is currently advanced through a portfolio of operational and investment initiatives, including renewable energy and energy efficiency, water-resilience measures, and sourcing and procurement responses to climate-sensitive raw materials. These initiatives provide a practical foundation for progressively strengthening the integration of climate considerations into strategic planning as GTML's sustainability and climate reporting capabilities mature.

4.2 Material sustainability- and climate-related risks and opportunities

GTML's assessment identified sustainability- and climate-related risks and opportunities that could affect GTML's prospects over the short, medium and long term. Following the final assessment and validation process, the selected matters are presented below. The materiality assessment supporting this selection is described in Section 2.5, while the identification, assessment and prioritization process is described in Sections 5.1 to 5.3. The reporting classification reflects the final selected risk and opportunity (R&O) population, with broader sustainability-related matters presented separately from transition and physical climate-related matters.

4.2.1 SRROs

The selected broader sustainability-related matters include ethical conduct, workforce capability and inclusion, sustainability claims, certification-based positioning, data protection, environmental compliance, responsible supply-chain practices, certified sustainable yarns, sustainable finance, recycled-fibre and low-carbon product development, product innovation and market diversification. The sustainability linkage shown in the table is drawn from the corresponding matter descriptions and supporting information available for this report.

Matter	Nature	Time Horizon	Potential financial effect
Business Ethics - Corruption and unethical business practices, Retaliation Against Whistleblowers, Ethical Reporting Failures and Workplace Harassment	Risk	Ethical conduct, anti-corruption, whistleblowing, workplace fairness and harassment.	Revenue concentration, working capital, receivables/credit risk
Training and Education - Lack of Leadership Development and Succession Readiness Inadequate Employee Training and Skills Development	Risk	Leadership and succession readiness; sustainability, health and safety, code of conduct, anti-harassment, regulatory-compliance and technical training.	Increased operating costs
Compliance & Marketing Communications - Greenwashing and unsubstantiated sustainability or quality claims	Risk	Substantiation of certified sustainability attributes and product-quality claims; traceability and claims verification.	Revenue (order loss), regulatory/legal penalties, brand value
Data Privacy and Cyber Security - Cybersecurity and data-protection control gaps	Risk	Security monitoring, data-loss prevention, incident response, customer/company data protection and operational continuity.	Business interruption
Material Consumption - Hazardous wet-processing effluent discharge	Risk	Heavy metals and synthetic chemical finishes; aquatic biodiversity, surrounding agricultural land and final-discharge water quality.	Regulatory fines and penalties, legal/defense costs, potential revenue loss from shutdown
Supply Chain Management - Responsible and Sustainable Supply Chain	Opportunity	Human-rights principles across operations and the supply chain; supplier relationships and customer and investor confidence.	Others
Human Rights - Diverse, Inclusive and High-Performing Workforce	Opportunity	Equal opportunity, an inclusive workplace, diverse talent and employee engagement.	Others

Matter	Nature	Time Horizon	Potential financial effect
Health and Safety - Enhanced OH&S management system and workforce wellness	Opportunity	OH&S management, hazard elimination, preventive health and wellness, incident reduction and workforce wellbeing.	Reduced compensation/insurance costs, productivity gains, avoided regulatory fines
Training and Education - Skilled, future-ready workforce through structured training / Robust Leadership Pipeline and Business Continuity	Opportunity	Capability development, training-needs assessment, training-hour targets, leadership capability and succession readiness.	Others
Marketing Communications - Leveraging product innovation and new-customer success stories in marketing	Opportunity	Product-development work and new-customer success stories used in marketing to demonstrate innovation and reliability.	Improved customer acquisition, stronger brand credibility
Marketing Communications - Credible sustainability positioning through existing certifications	Opportunity	Existing certifications and traceability-related product credentials supporting credible sustainability positioning and customer communication.	Revenue (premium pricing), customer retention, brand value
Economic Performance - Revenue growth through certified sustainable yarns	Opportunity	Certified sustainable yarns, traceability-related product credentials, customer demand and product positioning.	Revenue growth, premium pricing, margin improvement
Economic Performance - Improved access to sustainable finance	Opportunity	Sustainability information, financing relationships and access to green financing and sustainability-linked loans.	Lower cost of capital, improved access to green financing/sustainability-linked loans
Materials Sourcing & Efficiency - Recycled-fibre and low-carbon product lines	Opportunity	Recycled-fibre and low-carbon product development, product innovation and product mix.	Revenue mix shift
Market Presence - Expansion into underserved niche and international segments / Diversification beyond a single regional market/product concentration	Opportunity	Underserved niche and international segments, certified and traceable yarns, customer diversification and reduced regional/product concentration.	Revenue diversification, reduced market-concentration risk

These matters can affect GTML's prospects through ethical and regulatory exposure, workforce capability and continuity, data protection and business interruption, environmental compliance, supplier and stakeholder relationships, customer acquisition and market diversification. GTML's strategic responses to these themes are discussed further in Sections 4.5 and 4.7.

4.2.2 CRROs

The selected climate-related population comprises transition risks and opportunities and physical risks. To avoid duplication, the detailed matters are presented only in the two sub-sections below.

4.2.2.1 Climate-related transition risks and opportunities

Transition-related matters arise through energy and carbon exposure, evolving customer and regulatory expectations, technology and access to finance.

Matter	Nature	Driver	Potential financial effect
Energy and Water - Rising energy costs and energy supply insecurity	Risk	Market	Increased operating costs (electricity, gas, water tariffs); capital expenditure for efficiency upgrades
Carbon Emissions - Carbon pricing and climate-transition cost exposure	Risk	Policy & Legal	Compliance/carbon-tax costs, Carbon Border Adjustment Mechanism (CBAM) exposure on European Union (EU) exports, capital expenditure for low-emission technology
Economic Performance - Market Access Risk and Cost Inflation due to Climate Transition	Risk	Policy & Legal / Reputational / Market	Production assets and machinery, impairment/write-downs, capital expenditure for decarbonization, revenue loss
Economic Performance - Sustainable Finance Capital Access Risk	Risk	Reputational / Market	Increased operating costs
Energy and Water - Energy-efficient spinning and processing equipment	Opportunity	Technology	Productivity & energy costs
Carbon Emissions - Renewable energy, decarbonization and carbon offsets	Opportunity	Technology	Reduced energy costs, carbon-cost avoidance, improved competitiveness with international buyers

These transition-related matters are connected with GTML's energy-intensive operations, decarbonisation requirements, evolving customer and regulatory expectations, technology investment and sustainable-finance exposure. Existing renewable-energy and efficiency initiatives provide a basis for responding to these changes, while further investment and capability development may be required as transition-related expectations evolve.

4.2.2.2 Climate-related physical risks

The selected physical climate population comprises two chronic, long-term risks relating to critical operating inputs: water and raw cotton.

Matter	Nature	Driver	Potential financial effect
Energy and Water - Water scarcity, water stress and abstraction limits	Risk	Chronic	Production disruption / lost-output costs; cost of alternate energy/water sourcing
Supply Chain Management - Climate-driven raw cotton supply disruption	Risk	Chronic	Procurement cost increases

GTML's principal selected physical climate exposures therefore arise through the availability of water and climate-sensitive raw materials. These exposures may affect procurement, production planning, working capital and operating continuity over longer time horizons.

4.3 Strategic objectives and focus areas

The selected SRROs and CRROs reinforce and extend GTML's existing strategic objectives. For the purposes of this report, GTML groups the principal strategic implications into five interconnected focus areas.

Strategic focus area	Principal driver	Strategic Direction
Resource efficiency and climate resilience	Energy security and cost, water scarcity, carbon-transition exposure and climate-driven cotton disruption.	Renewable energy, energy-efficient equipment, water resilience, resource efficiency and resilience of critical operational inputs.
Environmental compliance and responsible supply chain	Hazardous wet-processing effluent exposure and human-rights considerations across operations and the supply chain.	Effluent treatment and discharge-quality controls, responsible supply-chain practices, supplier engagement and stronger value-chain resilience.
Products, markets and communication	Sustainability-claim exposure, certification-based positioning, certified sustainable yarns, product innovation and market diversification.	Credible certification and claims management, product innovation, certified and recycled/low-carbon product development, customer diversification and market expansion.
People, health and organisational capability	Leadership and succession readiness, workforce capability, OH&S, diversity and inclusion.	Structured capability development, leadership readiness, OH&S management, workforce wellness and equal opportunity.
Ethics, digital resilience and finance	Ethical conduct, whistleblowing, data protection, cybersecurity and sustainable-finance access.	Ethical controls, reporting channels, digital resilience, credible sustainability information and engagement with financing institutions.

These focus areas are supported by ESG targets extending to 2030 across emissions, water and resource efficiency, workforce development, diversity, community participation and governance. The detailed targets, available FY-26 performance indicators and data-maturity status are presented in Section 6.

Performance against these priorities is monitored through the metrics and targets framework described in Section 6. GTML is progressively enhancing the quality, consistency and validation of its sustainability data. Metrics undergoing further development or verification are transparently identified and will be reported as reliable information becomes available.

4.4 Business model and value-chain effects

GTML's principal business activities include the manufacturing and sale of yarn, the manufacturing and sale of knitted bedding products, fabric-processing and dyeing services and the production and sale of milk. GTML's financial reporting separately presents Spinning and Knitting as operating segments, while fabric-processing services and dairy activities are included as unallocated activities. The reporting scope and boundary applied to this report are described in Section 1.1.

GTML's textile value chain begins with raw materials, principally local and imported cotton and man-made fibres and includes energy, packaging, machinery, contractors and service providers. GTML's manufacturing activities include spinning, knitting, dyeing and stitching, with downstream relationships including fabric, garment and home-textile manufacturers, yarn traders, exporters and customers in local and international markets.

The selected SRROs and CRR0s affect this business model principally through raw-material availability and cost, energy and water inputs, manufacturing assets and processes, environmental compliance, workforce capability, customer and export-market requirements, supplier relationships, financing and reporting systems. Climate-driven cotton disruption and water scarcity affect upstream inputs and operational continuity; energy and carbon-related transition matters affect manufacturing costs and capital allocation; certifications, certified yarns and recycled/low-carbon products affect customer and market positioning; and ethics, training, environmental compliance and cybersecurity matters affect organisational capability and business continuity.

4.5 Strategic integration of SRROs and CRR0s

The selected risks and opportunities are being connected with strategic choices across operations, sourcing, products, markets, people and finance. The governance arrangements supporting oversight and escalation are described in Sections 3.1 to 3.6, while the related risk management processes are described in Sections 5.1 to 5.5. This section focuses on the resulting strategic actions.

- Energy and climate transition: GTML is responding to energy-cost, supply and carbon-transition exposure through renewable-energy investment, self-generation, energy-efficiency improvements, advanced machinery and operational-efficiency measures.
- Water, effluent and raw materials: GTML is responding to water scarcity, climate-sensitive cotton supply and hazardous-effluent exposure through RO systems, ETP infrastructure, water treatment, sourcing and procurement measures and stronger resilience of critical inputs.
- Products, markets and communication: sustainability-claim exposure, certification-based positioning, certified sustainable yarns, recycled-fibre and low-carbon products, product innovation and market expansion are connected with certification management, product development and customer diversification.
- People and responsible supply chain: ethical conduct, leadership and training, OH&S, diversity and responsible supply-chain considerations are connected with employee development, workforce wellness, equal opportunity, human-rights principles and management controls.
- Finance and digital resilience: sustainable-finance exposure and opportunity, data protection and cybersecurity are connected with stronger sustainability information, reporting controls, digital resilience and engagement with financing institutions.

GTML's decision-making also involves trade-offs between near-term resource requirements and longer-term operational, market and resilience objectives. Current information identifies examples including upfront renewable-energy CAPEX for lower energy costs and reduced conventional-energy exposure; water-treatment and recycling expenditure against greater resource resilience; sustainable-material and certification costs against customer trust and market access; and technology and workforce investment against productivity, product diversification and longer-term competitiveness.

4.5.1 Sustainability and climate in financial planning

Sustainability- and climate-related considerations are progressively being incorporated into budgeting, CAPEX, operating expenditure and major investment decisions. GTML's existing financial-planning approach is visible in the capital allocated to renewable energy, wastewater treatment and advanced machinery.

GTML's current-period financial information identifies continued capital allocation to renewable energy, wastewater treatment and efficiency-related initiatives. The financial effects and investment information currently supported for FY-26 are presented in Section 4.10.

Financial information under development

GTML continues to strengthen the reconciliation and attribution of sustainability- and climate-related CAPEX across projects and reporting categories. Accordingly, this report presents current-period amounts where the related investment can be reliably identified, while the quantification and allocation of certain other financial effects remain under development.

4.6 Sustainability and climate-related strategic resilience

GTML's current resilience is supported by operational adaptation, product and market diversification, renewable-energy investment, resource-management infrastructure, supply-chain management, financial access and established business-continuity practices. Existing measures include on-site and renewable power generation, technologically advanced machinery, two principal manufacturing locations, sustainability certifications, ETP and RO infrastructure, sourcing and procurement measures and established financing relationships.

The selected R&O assessment also identifies continuing vulnerabilities, including dependence on cotton and other critical inputs, energy and water intensity, exposure to climate-sensitive raw-material supply, evolving customer and regulatory expectations, cybersecurity and data risks and the need for continued investment as sustainability and climate-related requirements develop.

Development of climate resilience assessment

GTML is progressively strengthening its climate resilience assessment through ongoing data collection, refinement of climate-related risk information and stronger linkage with strategic and financial planning. For this reporting cycle, GTML has focused on strengthening the data, risk information and analytical capability that underpin climate-resilience assessment. As these capabilities mature, they are expected to support progressively more structured evaluation of resilience under different climate-related conditions.

Related risk inputs and monitoring arrangements supporting the development of climate-resilience assessment are described in Sections 5.2 and 5.4.

4.7 Broader sustainability strategy

Beyond the matters classified as climate-related, GTML's broader sustainability strategy addresses ethical conduct, leadership and workforce capability, OH&S, diversity and inclusion, data protection, sustainability claims, hazardous-effluent compliance, responsible supply-chain practices, certification-based sustainability positioning, certified sustainable yarns, sustainable finance, recycled-fibre and low-carbon product development, product innovation and market diversification. These areas are connected with GTML's existing strategic objective of maintaining high ethical, professional and environmental standards while supporting long-term business performance.

4.7.1 Environmental compliance and supply chain

GTML's broader sustainability response includes environmental-compliance measures for wet-processing effluent and responsible supply-chain practices. ETP and RO infrastructure and final-discharge water-quality sampling support management of effluent exposure, while the selected supply-chain opportunity links human-rights principles, supplier relationships, customer and investor confidence and sustainable business growth. Related environmental and supply-chain metrics are presented in Sections 6.2.1 and 6.2.2.

4.7.2 Markets, innovation and communication

GTML's selected broader sustainability market and product matters include substantiation of sustainability and quality claims, credible sustainability positioning through existing certifications, revenue growth through certified sustainable yarns, recycled-fibre and low-carbon product lines, product-innovation and new-customer success stories, and expansion into underserved niche and international segments. Improved access to sustainable finance is also included within the broader sustainability opportunity set. Existing certifications and traceability-related product credentials support the market-positioning elements, while related monitoring is presented in Sections 6.2.3 and 6.2.4.

The selected broader sustainability opportunity also includes credible sustainability positioning through existing certifications, supported by GTML's existing certifications and traceability-related product credentials.

4.7.3 Workforce capability, health and inclusion

GTML's selected broader sustainability matters include leadership and succession readiness, employee capability, OH&S management and workforce wellness and a diverse and inclusive workforce. GTML addresses these areas through employee development, health and safety systems, wellness initiatives, equal-opportunity measures and management controls. Related performance measures are presented in Section 6.3.

4.7.4 Ethics and digital resilience

GTML's selected broader sustainability matters also include corruption and unethical business practices, whistleblowing and ethical-reporting failures, workplace harassment, cybersecurity and data-protection control gaps. GTML's Code of Conduct, whistleblowing arrangements, internal controls and information-security measures provide the supporting governance and control context. Related monitoring is presented in Section 6.2.3.

4.8 Climate strategy

GTML's current climate approach is implemented through operational and investment initiatives addressing energy and carbon exposure and water and raw-material resilience. These initiatives provide a basis for progressively strengthening the structure and integration of climate-transition planning.

4.8.1 Energy and emissions

Energy is a central strategic consideration because GTML's spinning and processing operations are energy intensive and the selected R&O assessment identifies rising energy costs, supply insecurity and carbon-transition costs as material exposures. GTML has responded through renewable-energy investment, self-generation, energy-efficiency improvements and technology upgrades.

GTML is continuing to expand renewable-energy capacity and improve energy efficiency through solar generation, waste-heat recovery, efficient generation equipment, LED lighting, energy-monitoring technologies and energy-efficient production equipment. Current capacity and expansion-status metrics are presented in Section 6.1.1.

The financial implications of the solar expansion currently under completion are presented in Section 4.10.4, while the related capacity metric is presented in Section 6.1.1.

4.8.2 Water and raw-material resilience

Water scarcity, water stress and abstraction constraints are relevant to GTML's wet-processing operations, while recurrent floods, droughts and shifting monsoon patterns create a long-term physical risk to domestic raw-cotton supply. GTML's responses include water treatment and resilience measures together with sourcing and procurement actions intended to strengthen continuity of critical inputs.

GTML's water strategy is supported by investment in treatment and reuse infrastructure. Current financial information identifies a wastewater-treatment plant investment of approximately PKR 945 million. Detailed water-performance indicators are presented in Section 6.1.3; development of quantitative cotton-resilience indicators continues as part of the evolving measurement framework.

4.8.3 Climate-transition opportunities

GTML's selected climate-transition opportunities in this section focus on energy-efficient spinning and processing equipment and renewable energy, decarbonisation and carbon offsets. These opportunities are addressed through the energy and emissions initiatives described in Section 4.8.1 and monitored through Sections 6.1.1 and 6.1.2.

4.9 Strategic planning approach

GTML incorporates the expected timing of sustainability- and climate-related effects into its assessment, prioritisation and response planning. This supports alignment of management actions, investment considerations and monitoring with the evolving nature of material matters. The related assessment parameters are described in Section 5.2.

4.10 Financial effects of material R&Os

GTML's current information supports identification of several financial channels through which the selected SRROs and CRROs can affect GTML. These include operating costs, raw-material and procurement costs, energy costs, CAPEX, working-capital requirements, regulatory and compliance costs, revenue and market access, financing conditions, asset values and cash flows.

Energy, raw materials, water and capital investment are key financial channels through which the selected SRROs and CRROs can affect GTML's business model. Current-period information indicates that renewable-energy deployment is contributing to lower power costs, while identified cotton-supply, water and transition-related risks may affect procurement, working capital, operating costs, market access and capital requirements.

Financial-effects maturity

GTML has identified certain current and anticipated financial effects and have project-level financial information for selected initiatives. Comprehensive quantification at the individual SRRO/CRRO level, reconciliation of certain project-level CAPEX figures and full mapping to financial-statement line items are still being developed. This report therefore combines available quantitative information with qualitative financial-effect disclosures.

4.10.1. Anticipated Financial effects by horizon

Theme	Relevant horizon	Financial effect identified in current information
Energy and transition	Medium / Long	Higher energy and compliance costs; CAPEX for efficiency and lower-emission technology; potential savings from renewable energy and efficiency.
Water and physical resource constraints	Long	Potential production disruption, alternate sourcing and treatment costs and resilience expenditure.
Raw-cotton supply	Long	Potential procurement-cost increases, imported-cotton dependence and working-capital pressure.
Markets, products and communication	Short / Medium / Long	Potential order/revenue impacts, premium positioning, product and market diversification, certification and compliance costs.
Financing and capital allocation	Medium	Potential changes in access to sustainable finance, cost of capital and capital allocation to clean technology.

Current financial-performance and cash-flow effects are discussed in Section 4.10.5. Anticipated effects include continued capital requirements for renewable energy and efficiency, potential reductions in conventional-energy costs and cash outflows and possible cost or revenue effects arising from the selected climate and sustainability matters.

Looking forward, further renewable-energy investment is expected to require CAPEX while supporting lower convention-al-fuel requirements and associated cash outflows. ETP and RO infrastructure is expected to support lower external water and wastewater-management costs and avoidance of environmental penalties. The specific current solar investment plan and funding context are presented in Section 4.10.4.

4.10.2 Potential material asset and liability adjustments

The information available for this report does not yet contain a completed assessment identifying whether any selected sustainability- or climate-related risk or opportunity could result in a material adjustment to the carrying amount of an asset or liability within the next annual reporting period. This assessment is in progress as the supporting financial information and evaluation process continue to mature.

4.10.3 Expected changes in financial position

GTML's financial position already reflects investment in renewable energy, wastewater treatment and efficiency-related assets. Further CAPEX is expected as renewable-energy and efficiency projects continue. The detailed effect on asset balances, depreciation, financing and other financial-statement line items has not yet been quantified at the individual SRRO/CRRO level.

4.10.4 Investment plans and sources of funding

GTML's strategy is supported by continued capital allocation to renewable energy, advanced machinery, wastewater treatment and resource-efficiency infrastructure. Current information identifies an additional solar project under develop-ment at an estimated cost of approximately PKR 377 million; the project capacity is reported in Section 6.1.1. Sustainability-and climate-related CAPEX is funded through a combination of long-term and short-term borrowings, within GTML's broader financing arrangements and liquidity management.

4.10.5 Expected performance and cash-flow effects

The principal financial-performance effects currently identified relate to energy costs, procurement costs, operating efficiency, regulatory exposure, product and market access and financing. The reported approximately PKR 1.5 billion reduction in power cost from the shift toward solar energy is a current financial-performance effect, while the reported approximately PKR 1.5 billion solar CAPEX is a cash-flow effect. Comprehensive quantification of future effects remains under development.

5. Risk management

GTML applies an integrated approach to managing SRROs and CRROs. The process is intended to support the timely identification, assessment, prioritisation, monitoring and escalation of matters that could reasonably be expected to affect GTML's prospects over the short, medium or long term.

Sustainability and climate considerations are incorporated into GTML's broader risk management arrangements, supported by departmental risk ownership, management coordination through the Core Working Group and oversight by the BSC. Climate-related matters are addressed within the overall sustainability risk process, with additional consideration given to their physical and transition characteristics.

5.1 SRRO and CRRO management framework

GTML applies an integrated process to identify, assess, manage, monitor and report sustainability and climate-related risks and opportunities (SRROs and CRROs) across its operations and relevant areas of the value chain. This process operates within GTML's broader risk management framework and is supported by the Risk Management Policy, management-level coordination through the Core Working Group and Board-level oversight through the BSC, together with relevant policies and operational procedures.

Departmental heads serve as risk owners, with responsibility for identifying and managing risks within their respective functions, maintaining appropriate controls and reporting changes in risk exposure. Sustainability-related matters are identified through departmental assessments, management review, stakeholder input, regulatory and industry developments and consideration of relevant SASB and IFRS S2 industry-based guidance.

Climate-related risks are further classified as physical or transition risks. The selected climate-related opportunities comprise energy-efficient spinning and processing equipment and renewable energy, decarbonisation and carbon offsets.

5.2 Assessment inputs and parameters

The identification and assessment of SRROs and CRROs draws on GTML's operational and sustainability performance, departmental risk assessments, existing controls and management insights, alongside regulatory requirements, industry guidance, stakeholder perspectives, customer expectations and textile-sector developments.

The assessment covers GTML's operations and, where relevant, upstream and downstream value chain exposures, including raw materials, energy and water dependencies, suppliers, workforce, customers and markets. The extent of value chain consideration varies by topic based on relevance, influence and availability of reasonable and supportable information.

GTML assesses each identified risk and opportunity across the short, medium and long term, considering its nature, likelihood, scope and potential financial, operational, environmental and social effects. Climate-related risks are further classified as physical or transition risks, with physical risks distinguished as acute or chronic where relevant. The assessment also considers velocity and the scoring factors Irremediability (for risks) and Benefit Durability (for opportunities).

The assessment combines qualitative management judgement with defined scoring criteria to support consistent evaluation and prioritisation. Quantification of the current and anticipated financial effects of individual SRROs and CRROs is being progressively developed as GTML strengthens its underlying data and assessment capabilities.

GTML's current climate-resilience work is focused on strengthening the supporting data, risk information and analytical capability, as described in Section 4.6.

5.3 Prioritisation of sustainability and climate-related matters

Sustainability- and climate-related matters are prioritised based on their likelihood, potential impact and relevance to GTML's business and prospects. Material matters are incorporated into the sustainability risk and opportunity register and subject to management review and BSC oversight.

Sustainability- and climate-related matters are considered within GTML's broader risk management framework and prioritised alongside other principal risks where they may affect the achievement of business objectives. Opportunities are similarly assessed based on their potential strategic, operational, financial, environmental and social benefits.

GTML continues to strengthen the integration of its sustainability and climate-related assessment processes with the broader risk management framework to support consistent prioritisation, monitoring and management of material matters.

5.4 Reporting-period developments and monitoring

SRROs and CRROs are monitored through GTML's sustainability governance and broader risk management processes, supported by relevant operational controls and available performance indicators, where established. The Core Working Group coordinates management-level monitoring, including changes in exposure, implementation of management responses and progress against relevant KPIs and targets, where available. Material developments and matters requiring further attention are escalated to the BSC for oversight.

Monitoring considers changes in risk exposure, relevant environmental, social and operational performance and progress against applicable initiatives and available KPIs and targets. This enables emerging or changing sustainability- and climate-related matters to be identified and addressed through the appropriate management and governance channels as the monitoring framework progressively strengthens.

GTML continues to strengthen the linkage between its sustainability risk and opportunity assessment and broader risk management processes to support more consistent monitoring, ownership and action tracking.

5.5 Integration with the ERM framework

The integration of sustainability and climate considerations into GTML's ERM framework enables these matters to be assessed within GTML's overall risk profile. Departmental heads retain responsibility for risks within their functions, supported by the Core Working Group's coordination of SRROs and CRROs. The role of Internal Audit in enterprise risk governance is described in Section 3.9, while material matters are escalated through the BSC to the Board.

Outputs from the sustainability and climate risk assessment support risk prioritisation, control design, management responses, operational planning and escalation. This enables matters such as energy and water availability, environmental compliance, workforce practices, supply chain continuity, customer requirements and physical and transition climate developments to be considered alongside financial, operational, compliance and reputational risks.

Integration will continue to mature as GTML further aligns its sustainability and enterprise risk registers, rating scales, monitoring thresholds and reporting protocols. As sustainability and climate-related matters are managed through a connected framework, the related disclosures are presented together, with climate-specific information distinguished only where necessary to provide appropriate context and avoid duplication.

5.6 Risk management, strategy and performance

GTML's assessment of sustainability and climate-related risks and opportunities supports its governance, strategic planning and performance management. Material matters are considered when setting operational priorities, allocating resources and evaluating GTML's resilience over the short, medium and long term.

This approach is reflected in initiatives relating to renewable energy, energy efficiency, heat recovery, water reuse, wastewater treatment, materials recovery, OH&S, employee development and responsible supply-chain practices. Where competing priorities arise, GTML considers near-term costs and operational requirements alongside longer-term financial, environmental and social outcomes.

Available ESG indicators, where established, are used to monitor implementation and support assessment of management responses. GTML is progressively strengthening the connection between each material SRRO and CRRO, its accountable owner, related actions, performance indicators, targets and potential financial implications.

6. Metrics and targets

GTML's metrics and targets framework provides the monitoring layer for the material sustainability- and climate-related risks and opportunities presented in Section 4.2 and the monitoring arrangements described in Sections 5.4 and 5.6. The indicators below reflect information that is currently available and sufficiently supportable for this reporting cycle. Where the underlying data is incomplete, not yet reconciled or not aligned to the reporting period, GTML identifies the metric as under development or under validation rather than presenting an unsupported value. The broader basis for measurement uncertainty, limitations and connected information is described in Sections 2.1, 2.2 and 2.4.

Data maturity approach

The metrics and targets in this section present FY-26 performance only. Prior-period figures and year-on-year comparisons are not included in this report. Where FY-26 data is incomplete, has an unclear population or boundary, or requires reconciliation, it is excluded from the headline metrics and identified as under development or validation.

6.1 Climate-related metrics

Climate-related monitoring reflects the selected transition and physical R&Os, including energy and carbon exposure and water and raw-material physical risks. Available quantitative information is strongest for renewable energy, emissions-reduction and water-related indicators, while broader energy-efficiency and climate-resilience measures continue to develop.

6.1.1 Energy consumption and energy mix

GTML is expanding renewable-energy capacity and improving energy efficiency in response to rising energy costs, energy-supply insecurity and carbon-transition exposure. The current capacity and project-status metrics are summarised in the table below. GTML also uses self-generation and has disclosed purchases of electricity generated from wind sources.

Metric	FY-26/current position	Target Direction	Data Status	Strategy linkage
Installed and energised solar capacity	43.06 MW	Continued renewable-energy expansion	Available	4.8.1
Additional solar project	2.61 MW under completion	Project completion; financial details in Section 4.10.4	Available	4.8.1 / 4.10.4

GTML is progressively developing a more complete energy-consumption and source-level energy-mix dataset, including renewable-energy share and energy-intensity measures, to complement the capacity information currently reported.

6.1.2 Scope 1 and Scope 2 emissions

GTML currently reports an operational CO₂-savings indicator associated with its environmental and energy initiatives. This indicator is not presented as a substitute for gross Scope 1 or Scope 2 GHG emissions. GTML is progressively developing the Scope 1 and Scope 2 GHG emissions calculations, supporting data, methodology and review controls; accordingly, this reporting cycle focuses on the available operational CO₂-savings indicator while the detailed inventory continues to mature.

Metric	FY-26 performance	2030 target	Data Status	Interpretation
CO ₂ savings / avoided-emissions indicator	18,209 tonnes of CO ₂	Reduce more than 100,000 tonnes of CO ₂	Available	Operational progress indicator; not gross Scope 1 and Scope 2 emissions

6.1.3 Water withdrawal and consumption

Water management is monitored through currently available estimated water-saving and wastewater-treatment indicators. GTML is progressively developing the detailed water balance, including withdrawal by source, discharge, calculated consumption, recycling/reuse and assessment of exposure to high or extremely high baseline water-stress areas.

Metric	FY-26 performance	2030 target	Data Status	Interpretation
Water saved through RO / sanitation initiatives	9.20 million gallons	30 million gallons	Available	4.8.2
Wastewater processed through ETP	245 million gallons	2,000 million gallons	Available	4.8.2 / 4.7.1

6.1.4 Transition opportunity monitoring

The selected climate-transition opportunities in this area are energy-efficient spinning and processing equipment and renewable energy, decarbonisation and carbon offsets. Available monitoring is reflected primarily in Sections 6.1.1 and 6.1.2, while GTML progressively strengthens the broader measurement basis for energy-efficiency and decarbonisation performance.

6.1.5 Performance monitoring status

Metric area	Current reporting reference	Still being developed/validated reference
Energy	6.1.1	Total energy consumption, source-level energy mix, renewable-energy percentage and energy intensity
GHG emissions	6.1.2	Gross Scope 1 and Scope 2 inventory; broader climate-footprint measures
Water and physical resilience	6.1.3	Withdrawal, discharge, consumption, reuse/recycling, water-stress-area metrics and quantitative raw-cotton resilience indicators
Transition opportunities	6.1.1/6.1.2	Broader energy-efficiency and decarbonisation performance measures beyond the currently reported renewable-energy capacity and CO ₂ -savings indicators
Climate resilience	4.6	Data collection, analytical capability and structured climate-resilience assessment

6.2 Broader sustainability metrics

Broader sustainability metrics are intended to monitor the selected SRROs concerning environmental compliance, responsible supply-chain practices, ethical conduct, sustainability claims, certification-based positioning, cybersecurity and data protection, workforce capability and inclusion, certified sustainable yarns, sustainable finance, recycled-fibre and low-carbon products, product innovation and market presence. GTML continues to strengthen the coverage and consistency of quantitative information across these areas. Accordingly, this section presents metrics supported by GTML's current data systems, while measures undergoing further development or validation will be incorporated as reliable information becomes available.

6.2.1 Environmental compliance and resource use

GTML's broader environmental sustainability information includes wastewater treatment, resource recovery, digitalisation, tree plantation and waste-related indicators. The selected hazardous wet-processing effluent risk is linked to effluent treatment and final-discharge water-quality management. The wastewater volume processed through the ETP is presented in Section 6.1.3 because it also supports water-management monitoring; other environmental and resource-use indicators are presented below.

Metric	FY-26 performance	2030 target	Data Status	Linked strategic theme
Animal waste converted to cardboard	275 tonnes	500 tonnes	Available	Waste-to-resource / circularity
Pages saved through digitalisation	1 million pages	6.40 million pages	Available	Resource efficiency / digitalisation
Trees planted	1,500	10,000	Available	Environmental stewardship

GTML is progressively developing quantitative waste-generation and hazardous-waste recovery measures to complement the resource-recovery indicators currently reported.

6.2.2 Responsible supply chain

The selected responsible and sustainable supply-chain opportunity is linked to human-rights principles across operations and the supply chain, supplier relationships and customer and investor confidence. Current information confirms the use of sustainability-related certifications and responsible-sourcing practices; validated quantitative supplier-audit coverage, certified raw-material purchase volumes, traceability coverage and supplier ESG training data are still being developed.

Metric area	Current Status	Target / direction	Data Maturity
Use of certified / sustainable sourcing frameworks	Existing certifications and affiliations disclosed	Maintain and strengthen credible sustainable sourcing	Qualitative information available

GTML is progressively developing quantitative coverage measures for strategic-supplier ESG training, supplier ESG assessment and certified or traceable raw-material sourcing.

6.2.3 Ethics, claims and digital resilience

Target / KPI / indicator	FY-26 status	Data maturity / next step	Linked matter
100% ESG awareness among Board members	Target established	Completion measurement to be validated	Governance capability and oversight
Strengthen whistleblower awareness and reporting	Target established	Awareness and incident metrics to be validated	Ethical conduct and reporting
Train 100% of employees on the Code of Conduct	Target established	Completion percentage not yet validated for this report	Ethical conduct / compliance
Train strategic suppliers on ESG	Target established	Supplier coverage metric under development	Responsible sourcing / supply chain

GTML is progressively developing quantitative coverage measures for strategic-supplier ESG training, supplier ESG assessment and certified or traceable raw-material sourcing.

6.2.4 Market presence and innovation

The selected broader sustainability opportunities include credible sustainability positioning through existing certifications, revenue growth through certified sustainable yarns, improved access to sustainable finance, recycled-fibre and low-carbon product lines, leveraging product-innovation and new-customer success stories in marketing, and expansion into underserved niche and international segments. Existing certifications and traceability-related product credentials support the market-positioning elements. GTML is progressively developing quantitative measures for revenue and premium contribution, financing-cost effects, product contribution, customer acquisition and market diversification as part of the evolving measurement framework.

Existing sustainability certifications and related traceability credentials also support the selected broader sustainability opportunity concerning credible sustainability positioning.

6.3 Social and workforce metrics

Available FY-26 social-performance information focuses on training, community initiatives, employee participation, wellness and diversity targets. Detailed OH&S rates, workforce-demographic baselines and certain labour-practice indicators require further reconciliation or data collection.

Social KPI/target	FY-26 performance	Target 2030	Data Status	Strategic linkage
Employee training	more than 4,000 hours	more than 30,000 cumulative training hours including health, safety and environment (HSE)	Available	Workforce capability / leadership readiness
Sustainable Development Goal (SDG)-aligned corporate social responsibility (CSR) programmes	11 programmes	More than 30 programmes	Available	Community and stakeholder relationships
CSR volunteers	137 volunteers	Supporting indicator	Available	Employee engagement / community participation
Volunteer hours	315.50 hours	more than 500 hours	Available	Community participation
Wellness programmes	5 programmes	5 programmes per annum	Available	Workforce wellness / OH&S opportunity

6.3.1 Human rights and labour practices

GTML's current data collection includes indicators for labour relations, work stoppages, harassment, discrimination, training, succession planning and other workforce matters. Several workforce indicators are not yet sufficiently reconciled for FY-26 and are therefore not presented as current-period metrics. The EHS data collection framework also includes recordable-incident, fatality, near-miss and health-and-safety training-rate measures, but these fields are not yet populated for FY-26.

Validation note - workforce data

GTML is strengthening the consistency and completeness of its workforce-demographic and turnover data for the current reporting basis. Relevant data populations, calculation methodologies and supporting records are being reconciled to support reliable KPI reporting. Accordingly, selected workforce metrics will be incorporated once this validation process is complete, while the related strategic priorities and management actions continue to be presented in Section 4.

6.3.2 DE&I

GTML's 2030 ESG priorities include achieving 15% women representation in management. GTML's 2030 ESG priorities include increasing women's representation in management. As at the current reporting period, women represent approximately 13.24% of management-level employees. This provides a current baseline for monitoring progress towards the Company's diversity objective, while GTML continues to strengthen participation and representation across management roles. The baseline and calculation methodology are being reconciled as part of the ongoing data-quality process.

GTML has begun quantifying gender pay indicators as part of its broader diversity, equity and inclusion monitoring. Based on the June 2026 calculation available for the current reporting population, the mean gender pay gap was 20.13% and the median gender pay gap was 0.00%. These figures provide an initial reference point for ongoing monitoring as GTML continues to strengthen the consistency and coverage of the underlying analysis.

DE&I metric	Current Reporting Position	Target / direction	Status
Women representation in management	13.24%	15% by 2030	Target established; baseline to be validated
Mean gender pay gap - June 2026	20.13%	Continue monitoring as part of DE&I performance	June 2026 calculation available for the current reporting population
Continue monitoring as part of DE&I performance	0.00%	Continue monitoring as part of DE&I performance	June 2026 calculation available for the current reporting population

Role of Chairman and CEO

The Company’s Chairman is in charge of the Board’s leadership and guarantees that the Board plays a compelling role in satisfying all of its duties. In contrast, the Chief Executive Officer is an executive Director and responsible for acting as the Head of the Company.

The Roles & Responsibilities of the Chairman include

- Setting agendas for the Board’s consideration.
- Leading the Board and discussing all proposals put forward by the executive team.
- Liaising and coordinating with subcommittee chairs.
- Identifying and participating in the selection of the Board members and overseeing a formal succession plan for the Board, CEO, CFO, and key senior management.
- Maintaining an effective team by managing conflicts of interest within the Company.
- Ensuring that interrelationship is maintained with the Company’s strategic stakeholders.
- To ensure that stakeholders’ trust and confidence is maintained in the Company.

The Roles and Responsibilities of the CEO include

- Serving as Chief Representative of the Company.
- Overseeing the business operations and implementing the policies and strategies recommended and approved by the Board.
- Closely monitoring the operating and financial results of the Company against plans and budgets on a consistent basis.
- Ensuring that effective reporting mechanisms exist within the organization to provide feedback at all levels of management.
- Ensuring that the Company complies with all relevant laws and corporate governance principles and that these principles are recommended and adopted by the Board to mitigate key risks.
- Setting the tone in providing ethical leadership and creating an ethical environment.

Decision Taken by the Board and Delegated to Management

The Board meetings of the Company are usually held quarterly to decide the matters requiring the Directors’ approval. Further, if a decision on any matter is required on an urgent basis and is not practicable to arrange a meeting, such matters are decided based on a circular resolution, duly signed by each Director, and then presented in the next Board meeting for ratification.

The Board members ensure that they fulfill all responsibilities

assigned to them as required under applicable laws and regulations. Moreover, the Board places more attention on strategic investments, business expansion, internal control & risk management, governance, review, and approval of policies.

The Board also delegates its tasks to subcommittees and the management and keeps follow-up in Board meetings. The day-to-day operational matters and the task assigned by the Board or its subcommittees are dealt with by the management in consultation with the CEO.

Board Statement to Establish High Level of Ethics and Compliance in The Company

As a Company committed to upholding the highest standards of ethics and compliance, our Board of Directors affirms its unwavering dedication to integrity and transparency in all our operations. We pledge to adhere to all legal and regulatory requirements while fostering an organizational culture that values honesty, accountability, and ethical conduct. Our commitment extends to ensuring that every employee, partner, and stakeholder operates with the utmost respect for ethical principles, reinforcing our promise to act with fairness and integrity in every aspect of our business. By championing these values, we aim to build trust and sustain long-term success while contributing positively to our community and industry.

Annual Appraisal of the Board’s Performance

As per the criteria of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors is required to carry out an annual evaluation of their performance, members of the Board, and its committees.

This year, the evaluation was carried out by the Board of Directors of the Company, and the results were found to be satisfactory. The following major criteria are used to measure the Board's own performance and its committees, including the CEO and the Chairman:

- The Board demonstrates integrity, credibility, trustworthiness, and active participation in its affairs, and has the ability to handle conflict constructively.
- The Board provides guidance and direction, rather than management to the Company.
- The Board reviews management succession planning as needed.
- The level of communication between the Board and relevant parties (i.e., committees, auditors, management and business heads, etc.) is appropriate.
- The Board receives and reviews all compliance needs.
- The Board reviews the adequacy of internal controls and risk management procedures.
- The Board has developed a strategy for the organization that is central to its vision and mission statement.
- The Board reviews that ESG practices are in place and are effective.

- The Board receives signals of potential issues that may adversely affect the Company’s key targets or financial performance.
- The Board ensures that professional standards and corporate values are put in place that promote integrity for the Board, senior management, and employees in the form of the Company's Code of Conduct.

Orientation Courses & (DTP) Directors’ Training Program

All Directors of the Company have either completed the Director’s Certification from authorized institutions in past or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

The Credibility of Internal Controls & Systems

Enhancing the credibility of internal controls & systems is a value-adding function rather than just a cost center in the business. Control over the internal departments that encompasses the overall operational function of an organization contributes to anticipating and responding effectively to changes in business risk profiles.

We believe in continuous growth & striking innovation therefore; our code of practice is mainly involved in enhancing & controlling internal systems within the Company. Throughout the year a number of professional training programs have been held under the roof of reputed institutions in Pakistan, to improve the overall efficiency & credibility of concerned departments.

Additionally, the Company has an in-house internal audit department that conducts activities throughout the year, with a particular focus on testing internal controls. Independent auditors also perform systems control testing annually as part of their overall external audit.

Related Party Policy

The objective of this policy is to set out the framework for the transactions between the Company and its related parties based on the applicable laws and regulations. As per the policy, the management must ensure that all the necessary details concerning related party transactions must be sent to the Audit Committee and Board of Directors at least seven days prior to the Board meeting and ensure that the following steps must be complied with in order to finalize the review and approval of related party transactions:

- The details of all related party transactions shall be placed before the Audit Committee of the Company, and upon recommendations of the Audit Committee, the same shall be placed before the Board for review and approval.
- The related party transactions that are not executed at arm's-length prices shall be placed separately at each Board meeting along with necessary justification for consideration and approval of the Board on the recommendation of the Audit Committee of the Company.
- The Board of Directors of the Company shall approve the pricing methods for related party transactions that are made on terms equivalent to those prevalent for

arm’s-length transactions, only if such terms can be substantiated. The preferable pricing method for the transaction with a related party shall be the comparable-price method.

- Any Board member who has a potential interest in any Related Party Transaction will abstain from voting on the approval or ratification of the said Related Party Transaction but may participate in all or a portion of the Board’s discussions of the Related Party Transaction not related to the said Board member if requested by the Chairman of the Board.
- In case the majority of the Directors either directly or indirectly becomes interested in related party transactions due to the Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained at the beginning of each year in the Annual General Meeting so that the Company can carry out its business smoothly.
- The records in respect of transactions with a related party shall be kept for a minimum period of 15 years or such longer time as required by relevant laws and regulations.

The detailed disclosure regarding transactions with related parties, along with the basis of the relationship and percentage of shareholding has been disclosed in note 38 of the financial statements.

Conflict of Interest Policy

The Company believes in handling actual or perceived conflicts of interest constructively. Conflict of interest is a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest, professional interests & public interest.

All employees are directed to avoid situations where there is a possibility of conflict. An inability to conform to these ethical policies may render an individual at risk of disciplinary action, even up to subsequent dismissal in an instance where a severe breach occurs.

Management of Conflict of Interest

The conflict of interests is managed and monitored in the following ways:

- Instructing employees about managing and avoiding conflict of interest.
- Staying away from any kind of actual and perceived conflict.
- Disclosing the conflict to the stakeholders.
- Enforcement of strategies to handle conflict of interest.

Further, the Directors are also reminded periodically to avoid actual, potential, or perceived conflict of interest and to excuse themselves from any discussion on the matter that would give rise to a conflict of interest.

Governance of Risk & Internal Controls

The Board oversees the governance of risk and determines the Company’s risk appetite by establishing risk management policies to ensure that the management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard assets, resources, reputation, and the interests of the Company and shareholders.

The Company believes that an effective internal control system is essential to achieving an organization’s overall business objectives and strategy in the critical areas of operations, reporting, and compliance. Keeping this in view, system of sound internal controls is established and effectively implemented at all levels within the Company.

Director’s Interest in Significant Contracts & Arrangements

The policy is covered under heading 'Related Party Policy' on (Page: No. 125)

Detail of Directors’ Remuneration

No remuneration has been paid to other Non-Executive Directors of the Company except for a meeting fee of Rs. 3.750 million (2025: Rs. 2.125 million).

Security Clearance of Foreign Directors

The Board of the Directors of the Company did not include any foreign Directors.

Details of Board Meetings Outside Pakistan

During the year, no Board meeting was held outside Pakistan

Human Resource Excellence

In the textile industry, sustainable growth depends not only on operational excellence, but also on the people who drive it. At Gadoon Textile Mills Limited, we view our people as a fundamental pillar of our long-term success.

Our approach to talent begins with attracting individuals who demonstrate the right mindset, potential, and commitment to continuous growth. Beyond recruitment, we focus on building capabilities through continuous learning, professional development, and opportunities that enable our employees to contribute meaningfully to the organization.

We strive to foster a workplace built on respect, inclusion, collaboration, and trust, where employees are encouraged to develop their potential and take ownership of their roles. By investing in skills and creating opportunities for growth, we strengthen our organizational capabilities and prepare our workforce for the evolving demands of the industry.

We believe that when people are empowered to grow, they contribute with greater creativity, collaboration, and accountability. This people-centric approach enables us to build a stronger workforce, support innovation, and drive sustainable organizational performance.

Our philosophy is simple: investing in our people today builds the capabilities, culture, and resilience that shape our success tomorrow.

Human Resource Management Policy

Human Resource Management & Succession Planning

At the heart of our long-term strategy is a simple belief: our people are our greatest asset. This philosophy guides how we manage talent today and how we prepare for tomorrow ensuring the right people are ready to lead as the Company grows.

Our Human Resource department remains committed to the following practices:

- Attracting and Retaining Talent**
We continue to focus on attracting top talent at every level of the organization, while creating an environment where our best people choose to stay and grow with us.
- Fair, Performance-Driven Compensation**
Employees are compensated based on performance and market benchmarks, ensuring our approach remains both competitive and equitable.
- Structured Performance Management**
Performance is evaluated periodically against clearly defined goals and KPIs, which evolve in line with business priorities.
- Technology-Enabled HR Practices**
We aim to achieve greater digital maturity in our HR function over the coming years, adopting technology-driven solutions to improve efficiency and innovation.
- Succession Planning**
Our goal is to ensure succession plans are in place for all critical positions, regularly reviewed, and reinforced with targeted development actions to address identified gaps.

- Skill Development & Cross-Functional Exposure**
Our aim is to foster employee growth through cross-functional exposure, helping build well-rounded capabilities across the organization.
- Continuous Training**
On-the-job training and development remain a priority, ensuring employees are equipped to grow within their roles and beyond.
- Clear Accountability**
Roles and responsibilities are clearly defined through a structured responsibility matrix, promoting ownership and clarity across teams.
- Recognizing Excellence**
High-performing employees are formally recognized and rewarded, reinforcing a culture of merit and achievement.
- Code of Conduct**
Our Code of Conduct is communicated to all employees, with strong emphasis on consistent adherence across the organization.
- Diversity, Equity & Inclusion**
We remain committed to advancing DEI through the adoption of best practices across our hiring, development, and workplace policies.
- Workplace Safety & Wellbeing**
Providing a safe, secure, and healthy working environment remains a fundamental priority for the Company.
- Open Communication**
We continue to foster a culture of open, transparent communication at every level of the organization.

Succession Planning

Succession planning is an ongoing process aimed at identifying, evaluating and developing potential employees for future leadership positions within an organization. Its purpose is to attract talented and capable employees who can replace potential bosses in management positions. In this regard, the Human Resources Department appropriately plans recruitment, on-the-job training/ meetings, and leadership development programs to ensure that individuals can easily fill the required roles.

The Company is dedicated to creating a strong Succession Plan to facilitate smooth leadership transitions and ensure organizational stability. By identifying and developing internal talent, we aim to ensure continuity and support our strategic goals. This proactive strategy promotes employee growth and operational excellence, preparing us to effectively address future challenges.

Merit-Based Recruitment

GTML follows a merit-based recruitment policy, ensuring that hiring decisions are made solely based on qualifications and performance, without bias. This approach guarantees a

fair and transparent selection process, focusing on each candidate's skills and potential in line with the company's recruitment policy.

Performance-Based Appraisal System

We implement a Performance-Based Appraisal System in line with our policy, ensuring evaluations are based on individual performance, achievements, and contributions. This approach promotes fairness and aligns with our commitment to recognizing and rewarding merit.

Promotion, Reward, and Motivation

Our Promotion, Reward, and Motivation process emphasizes merit and performance. Promotions are based on achievements and skills, while rewards include competitive compensation and recognition programs. We also provide professional development opportunities and a supportive environment to keep employees motivated and aligned with our organizational objectives.

Training and Development

The Company's training and development process is designed to enhance employee skills and support career advancement. We offer various targeted training programs and workshops to align individual capabilities with organizational needs. We encourage continuous learning to ensure our workforce remains skilled and adaptable in a dynamic environment.

Diversity, Equity, and Inclusion (DEI) Policy

GTML is committed to fostering a workplace that values Diversity, ensures Equity, and promotes Inclusion. This policy outlines our approach to creating an environment where every individual is respected and empowered. This policy applies to all employees, contractors, clients, and partners of GTML. It governs all aspects of employment and business interactions

Policy Statements

- Diversity**
We are dedicated to reflecting the diverse communities we serve through inclusive recruitment, hiring, and promotion practices.
- Equity**
We ensure fair treatment and equal opportunities for all employees, continuously reviewing practices to address and rectify inequities.
- Inclusion**
We strive to create a culture where every individual feels respected and valued, addressing exclusionary behaviors and practices proactively.

Responsibilities

Leadership

- Integrate DEI principles into all organizational operations and decisions.

- Lead by example in promoting DEI values.
- Allocate resources to support DEI initiatives.
- Implement strategies to ensure that compensation is equitable across different demographic & gender groups.

Management

- Implement DEI policies within teams.

- Facilitate DEI training and development.

- Address discrimination or exclusion promptly.

- Ensure that the workplace is accessible to employees with disabilities.

Employees

- Respect and value all individuals.

- Engage in DEI training.

- Report any concerns or incidents of discrimination.

Training and Development

- We provide ongoing DEI training to all employees to enhance their understanding and application of DEI principles.

Reporting and Accountability

- Concerns or incidents of discrimination should be reported to supervisors, HR, or through established channels. Reports will be handled confidentially and investigated thoroughly.

Monitoring and Evaluation

- We will regularly review our DEI practices and policies, using feedback to make necessary improvements.

Compliance

- We adhere to all relevant laws and regulations concerning DEI. Violations of this policy will be addressed according to our disciplinary procedures.

Policy Review

- This policy will be reviewed annually and updated as needed. Changes will be communicated to all employees.

Employee Engagement and Feedback

We prioritize Employee Engagement and Feedback through regular surveys and one-on-one meetings. We actively seek employee input to understand their needs and perspectives, fostering a collaborative work environment. This feedback drives continuous improvement, enhances job satisfaction, and ensures our strategies and policies align with employee expectations and organizational goals.

Employee Engagement Activities

Employee engagement is crucial for the success of a company. Engaged employees are more productive, satisfied, and likely to stay with the organization for the long term. They provide better customer service, contribute innovative ideas, and help build a positive organizational culture. Moreover, engaged employees experience improved well-being and reduced stress levels. Overall, investing in employee engagement initiatives creates a motivated and dedicated workforce, leading to increased productivity, higher retention rates, and a competitive edge in the market. Some planned activities during the year, were

Mango Day 2025



Celebrating one of Pakistan's most-loved summer fruits, the Mango Festival brought employees together in a relaxed, festive setting. It was a simple yet joyful way to break away from daily routines and enjoy some seasonal cheer as a team. The event created space for informal conversations and cross-departmental bonding.

Pakistan Independence Day 2025



Employees came together to celebrate Independence Day with a strong sense of pride and national spirit. The event featured festive decorations, activities, and moments of reflection on what freedom and unity mean to us as a nation. It served as a reminder of the shared values that bring our workforce together.



Our Townhall and Annual Day brought the entire organization together for a meaningful reflection on people, purpose, and progress. The event featured open, transparent conversations, leadership insights, and moments of recognition that celebrated the achievements and teamwork of the past year.

More than just a gathering, it was a true representation of the culture we continue to build together, one grounded in communication, trust, and shared success. We remain grateful to everyone who contributed to making the day a meaningful and memorable experience for the entire Gadoon family.

Women's Day Engagement with Smile Again Foundation



In observance of Women's Day, we partnered with the Smile Again Foundation to extend our support to women beyond our own workforce. As part of this initiative, dresses were distributed to underprivileged women, reflecting our commitment to solidarity and social responsibility. It was a meaningful way to mark the day with purpose and compassion.

Eid Breakfast



To celebrate the spirit of Eid, employees gathered for a warm breakfast that brought teams together outside their usual work settings. The event reflected our culture of togetherness, allowing colleagues to connect personally and share in the joy of the occasion. It reinforced the sense of community that defines our workplace.

Sustainable Champion Campaign



As part of this campaign, employees were encouraged to reflect on and share the Sustainable Development Goals (SDGs) they personally follow in their daily lives. Participants shared practical ideas and actions through which they contribute to sustainability, both at work and beyond. The initiative highlighted a genuine, organization-wide commitment to building a more sustainable future.

Wellness Program

Employee health and wellbeing remained a key priority throughout the year, with several initiatives introduced to support both physical and mental wellness across the organization.

- Diabetes Screening Camp**
A diabetes screening camp was organized at the Spinning Unit and Head Office to help employees monitor their health and stay informed about early warning signs. The camp provided easy, on-site access to screening,

encouraging a proactive approach to personal health. It reflected our ongoing commitment to preventive care for our workforce.



- Mental Health Awareness Session**
Held at our KP location, this session focused on raising awareness around mental health and reducing the stigma often associated with it. Employees were encouraged to openly discuss stress, emotional wellbeing, and healthy coping mechanisms. The session reinforced the importance of mental wellness as a core part of overall employee care.



- Ramadan & Health Awareness Session**
This session offered practical guidance on maintaining health and energy levels during the holy month of Ramadan. Topics included nutrition, hydration, and healthy routines suited to fasting schedules. It was designed to help employees stay balanced and productive throughout the month.



- Padel Match**
As part of our wellness efforts, employees were introduced to Padel, a fun and engaging sport that promotes physical activity and team spirit. The activity offered a refreshing way for employees to stay active while building camaraderie outside the workplace. It reflected our belief that wellness can also be enjoyable and social.



- Safety Session**
This session focused on reinforcing workplace safety practices and ensuring employees remain aware of protocols that protect their wellbeing on a daily basis. Practical guidance was shared to help employees identify risks and respond appropriately. The session reflected our continued emphasis on maintaining a safe working environment for all.



- Corporate Self-Defense: Protecting Your Reputation, Performance & Professional Influence**
This session focused on helping employees safeguard what matters most in their professional journey, their reputation, performance, and influence within the organization. Participants explored practical strategies for navigating workplace politics, handling criticism constructively, and maintaining credibility under pressure. The session encouraged a proactive mindset toward protecting one's professional standing while continuing to grow and contribute meaningfully.



Heimtextil – 2026



Gadoon participated in Heimtextil 2026, showcasing our latest innovations and sustainable textile solutions on a global platform. The event brought together inspiring conversations and creative exchange, reflecting the industry's continued shift toward innovation and sustainability.

We are grateful to everyone who visited our stand and engaged with us through their insights and curiosity. Their support continues to motivate us as we push forward in our journey of innovation and sustainable textile solutions.

Student Facilitation Program

The Company launched the Student Facilitation Program a few years ago, and it remains an important part of how we support students in both their academic and personal growth. Through this program, students receive mentorship, internship and job placement support, financial aid, networking opportunities, academic guidance, and access to personal development resources, alongside our partnerships with educational institutions. Our goal is simple: to help students build a strong foundation so they can move forward with confidence into their careers.

Some of the initiatives currently running under this program include:

- **Industrial Visits**

Students from various universities and colleges visit our facilities to see the yarn production cycle in action, gaining real, hands-on exposure to the industry.



We remain committed to offering competitive compensation and equal hiring opportunities, ensuring our recruitment process stays fair and inclusive at every stage. Beyond hiring, our student promotion program continues to give interns and management trainees valuable exposure through factory tours, career counseling, and collaboration on university projects. These experiences not only support hands-on learning and professional growth but also help students build strong networks as they prepare for successful careers within the industry.



Training & Awareness Sessions

Under the context of training & development program, the management continuously develop opportunities such as mentorship programs, awareness sessions, and HSE trainings to foster a culture of learning and growth among the employees. These programs not only equip employees with the necessary tools to perform their roles effectively, but also improves employee performance, confidence, satisfaction, and retention, contributing to Company's overall success and competitiveness within the industry. The following details pertain to the initiatives undertaken during FY-26.



- **Summer Internship Program**

Open to students from all HEC-recognized universities, with equal opportunity given to every applicant during selection.



- **Research Initiatives**

We support students working on capstone projects, thesis research, survey analysis, and qualitative studies.



Talent Acquisition & Management

GTML's approach to talent acquisition and management continues to focus on attracting, recruiting, and retaining the right people through data-driven insights and thoughtful hiring practices. This year, our talent acquisition team visited various universities and job fairs, helping us connect with a diverse pool of candidates and grow our internal talent database.

Gadoon Learning Café

This session focused on reinforcing workplace safety practices and ensuring employees remain aware of protocols that protect their wellbeing on a daily basis. Practical guidance was shared to help employees identify risks and respond appropriately. The session reflected our continued emphasis on maintaining a safe working environment for all.



- **AI Training Program**

We introduced an AI Training Program this year to help employees build a solid understanding of AI and explore how it can be applied in their day-to-day work.



- **The Art of Response vs Reaction**

In a fast-paced work environment, how we handle pressure often matters more than the pressure itself. Reacting is quick and instinctive, usually driven by emotion in the moment. Responding, on the other hand, comes from a place of thought and awareness, it's calmer, more deliberate, and better considered.

At Gadoon, we encourage our people to pause before they act. This small shift, choosing to respond rather than react, leads to better decisions, stronger relationships, and a healthier, more thoughtful workplace culture.



- **Large Language Model-Revolutionizing AI and Beyond - Power of LLM**

We introduced an AI Training session aimed at strengthening employees' understanding of artificial intelligence and its practical applications in the workplace. The session reflects our ongoing commitment to helping our people build relevant, future-ready skills.



- **Sustainability: The Only Way Forward**

This session was designed to spark meaningful conversation and encourage real, positive change. Because at Gadoon, we believe sustainability isn't just an option, it's the only way forward.



- **Head Says Yes, Heart Says No**

This session explored the internal tug-of-war we all experience when logic and emotion don't align, those moments where what we think and what we feel seem to pull in different directions.

The discussion offered thoughtful insights into how we navigate difficult choices, both personally and professionally, along with practical takeaways for making more balanced decisions in work and life.



- **The Impact of Positive Workplace Culture**

This session brought together participants from across departments to explore how empathy, clarity, equity, equality, and emotional intelligence come together to build unified, high-performing teams.

Led by Ms. Sumayya Azmat, Senior Manager HR, the session focused on creating a culture rooted in respect, open communication, and shared growth, turning everyday interactions into meaningful moments of connection and empowerment. Her practical insights and engaging facilitation encouraged participants to rethink how a positive culture can shape stronger, more engaged teams.



- **Mastering Alliance & Negotiation**

This session focused on building the skills needed to form strong alliances and negotiate effectively, both within teams and with external stakeholders. Participants explored practical approaches to building trust, finding common ground, and reaching outcomes that work for everyone involved.



- **Control: Key to Organizational Success**

This session explored the role of control systems in driving organizational success, from setting clear processes and accountability to monitoring performance effectively. Participants gained a better understanding of how strong internal controls support informed decision-making and help the organization stay on track toward its goals.



- **The Velocity of Execution**

This session focused on the importance of speed and precision in getting things done. Participants explored how to move from planning to action more efficiently, without compromising on quality, and how fast, focused execution can create a real competitive edge for the organization.



- **Your Path to Financial Freedom**

This session focused on helping employees build a better understanding of personal finance and long-term financial planning. Participants explored practical strategies for saving, budgeting, and making informed financial decisions, key steps toward greater financial confidence and independence.



- **The Power Circle: Transform Your Leadership and Life**

This session encouraged participants to reflect on their leadership journey, both at work and in life. Through open conversation and shared experiences, it explored how self-awareness, purpose, and personal growth can shape more effective, authentic leadership.



- **Building a High-Performance Culture Through Wellbeing**

This session explored the connection between employee wellbeing and organizational performance. Participants discussed how a genuine focus on physical, mental, and emotional wellbeing can create a stronger foundation for productivity, engagement, and long-term success at work, consistent quality across production.



- **Art of Empowering Teams**

Empowering people to lead with purpose, collaborate with confidence, and grow together. The initiative focused on strengthening high-performing teams through effective communication, trust, shared accountability, and empathetic leadership. Through meaningful dialogue and interactive engagement, participants explored ways to foster ownership, navigate challenges constructively, and create an environment where individuals and teams can thrive.



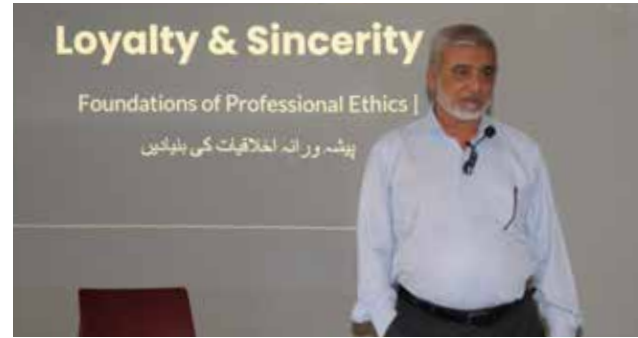
- **Face Everything and Rise**

Centered on building courage, resilience, and a purposeful mindset, this session focused exploration encouraged employees to recognize and overcome the fears that can hold them back. It highlighted the power of reframing doubt, taking decisive action, and transforming challenges into opportunities for personal and professional growth.



- **The Foundation of Integrity**

Centered on integrity, trust, sincerity, and professional ethics, the discussion emphasized the importance of upholding strong ethical values across all levels of the organization. It highlighted how integrity strengthens relationships, builds trust, reinforces accountability, and supports consistent performance, while encouraging employees to align professional conduct with a strong sense of responsibility and purpose.



- **Building High Performance Teams**

This session focused on what it takes to build teams that consistently deliver strong results. Participants explored the key drivers of high performance, including clear communication, trust, accountability, and shared goals, and how these elements come together to create teams that work well and grow together.



- **Respect at Workplace**

This session focused on building a workplace where respect is the foundation of every interaction. Participants explored what respect looks like in daily conduct, communication, and teamwork, and how it contributes to a safer, more inclusive environment for everyone.



- **Women Era 2026 (at Dream World)**

Gadoon supported employee participation in WomenEra 2026, a dedicated event held at Dreamworld Resort, designed to bring women together from across Karachi to connect, learn, and recharge. Female employees were given access to a corporate experience pass, offering exclusive workshops, meditation circles, and recreational activities, along with access to Exploriteria, an immersive learning experience focused on the perceptions and challenges women navigate in society.

The event also featured sessions on positive parenting, power networking, financial literacy, and stories of strength and resilience. By nominating employees for this initiative, the Company reaffirmed its commitment to supporting the growth, wellbeing, and empowerment of women in the workplace.



- **Excel Training Session (Skill Development)**

This session was designed to strengthen employees' practical skills in Excel, an essential tool for daily reporting, analysis, and decision-making. Participants gained hands-on experience with key functions and techniques, helping them work more efficiently and confidently in their day-to-day roles.



- **Communication Strategies for Success (KP)**

Held in KP location, this interactive session encouraged participants to actively engage, share their perspectives, and reflect on how each individual contributes to a stronger workplace culture. The discussion focused on practical communication strategies that support better collaboration and understanding across teams.



- **Negotiation & Conflict Resolution Skills (KP)**

This session focused on building practical skills for navigating disagreements and reaching effective outcomes. Participants explored techniques for negotiating with confidence, managing conflict constructively, and finding solutions that support both individual and organizational interests.



PwC Internal Audit Masterclass – "Redefining Internal Audit for a Changing World: Strengthening Governance, Risk Management and Automation"

Centered on integrity, trust, sincerity, and professional ethics, the discussion emphasized the importance of upholding strong ethical values across all levels of the organization. It highlighted how integrity strengthens relationships, builds trust, reinforces accountability, and supports consistent performance, while encouraging employees to align professional conduct with a strong sense of responsibility and purpose.



- **Shairah Boundaries**

This session explored how employees can pursue professional excellence while staying aligned with Shariah principles in their day-to-day conduct and decision-making. Participants gained a deeper understanding of how faith and professionalism can work together, offering guidance on ethics, integrity, and purposeful growth in the workplace.



- **Art of Empowering Teams**

Empowering people to lead with purpose, collaborate with confidence, and grow together. The initiative focused on strengthening high-performing teams through effective communication, trust, shared accountability, and empathetic leadership. Through meaningful dialogue and interactive engagement, participants explored ways to foster ownership, navigate challenges constructively, and create an environment where individuals and teams can thrive.



Social and Environmental Responsibility Policy

The purpose of this policy is to set guidelines for the Company’s objective to achieve sustainable protection of the environment, people and planet through creating shared values for business and society.

The Company is committed to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration. Our primary focus of social responsibility is to create business policies that are ethical, equitable, environmentally conscious and gender-sensitive. The Company shall strive to ensure the highest quality for its products and customer services together with maximum market outreach. The Company ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices, and procedures.

Protecting the Environment

In order to protect the environment, the Company shall:

- Meet or exceed the requirements of relevant legislative, regulatory, and environmental standards.
- Identify, reduce, and dispose of waste arising from our operations in a manner that minimizes harm to the environment and prevents pollution of land, air, and water.
- Reduce the consumption of energy and water and use renewable and / or recyclable resources wherever practicable.

Supporting the Communities

Sustainability and community development shall form a part of the core values of the Company:

- As a responsible social entity, the Company shall provide support to national and local charities or entities to promote the cultural and economic development of local communities.
- The Company shall ensure community development and uplift the standards of living of the masses through health, education, and environmental interventions.
- The Company shall support the development of quality human resources in the Country by sponsoring scholarship programs at leading universities/schools. Moreover, the Company shall support the provision of facilities/resources to such places of learning.
- The Company shall provide free medical facilities through welfare dispensaries located at plant sites.
- The Company also encourages its employees to share their time and skills in a socially constructive manner for the development of society..

Our People

The Company recognizes that its human resources are its most valuable asset, and it is committed to providing careers and working environments in which its people can achieve their full potential.

The Company is dedicated to protecting human rights through its “Code of Conduct” and the provision of equal opportunity to potential employees and exercises all fair labor practices.

- The Company shall ensure that its activities do not directly or indirectly violate human rights at any of Company’s sites (e.g., forced labor, child labor, etc.). As a policy, the Company does not hire minors as a workforce.
- The Company shall employ differently-abled persons wherever business requirements allow.
- The Company shall make every reasonable and practicable effort to provide safe and healthy working conditions in all its plants, sites, and offices.

Communication with Stakeholders

The Company values and honors the shareholders’ inputs; records their concerns, prepositions, and suggestions in minutes and keeps them abreast of the progress and subsequent actions. The Company also developed best practices for effective communication with stakeholders to ensure the improvement of channels between stakeholders, creates and maintains support for the objectives, reduce the potential for conflict, and enhances the overall reputation of the organization ultimately.

Similarly, steps taken to understand & enhance the overall communication with stakeholders are detailed in the stakeholders’ engagement section of this report.

Dividend Policy

The dividend policy is covered in Directors’ Report on Page: 099

Investors’ Grievance Policy

This policy’s objective is to safeguard and protect investors / shareholders’ interests by handling their grievances.

Under the context of investor’s grievance policy, our management is committed to ensuring that the investors are handled and resolved efficiently without any discrimination, at an appropriate level within the shortest possible time. The Company’s Grievance policy follows the following principles:

- Queries and complaints are treated efficiently, fairly, confidentiality in a courteous manner.
- The Company’s employees work in good faith, and investors are informed of avenues to raise their queries and complaints within the organization and their rights if they are not satisfied with the resolution of their complaints.
- Appropriate remedial action is taken immediately to ensure avoidance in the future.

Health and Safety

At the Company, we have a strong commitment to ensuring that our employees work in a healthy and safe environment. When and if the need arises, we have contingency action plans and the capacity to deal with such situations. The HSE department of the Company has been strengthened over the year by the hiring of thorough professionals, with the main aim to ensure that the Company is compliant with all international standards. This will not only portray a positive image of the Company but will also help in minimizing the calamities. Further, a well-managed dispensary at both the locations is maintained by the Company for the welfare of the employees, to ensure proper health and safety.

Moreover, various security and surveillance cameras have been installed throughout our factory premises and offices, which are regularly monitored by security personnel to address the security concerns (if any). Safety drills are regularly carried out to train and educate employees for emergency situations.

Whistle Blowing Policy

This policy sets out guidelines to encourage individuals if they believe or have discovered malpractice or impropriety in the activities of the Company.

The Company is committed to the highest standards of openness, honesty, and accountability. In line with its commitment, the Company encourages employees and/or third parties (suppliers, customers, dealers, etc.) with serious concerns about any aspect of the Company’s work to come forward and blow the whistle. These concerns may include but not limited to the following:

- Financial malpractice or impropriety or fraud.
- Failure to comply with a legal obligation.
- Disclosure of confidential information within or outside the Company.
- Deviation from full and fair reporting of the Company’s financial position.
- Dangers to health and safety or the environment.
- Unlawful civil and criminal activity.
- Improper conduct or unethical behavior.

All reporting shall be handled in a confidential manner. It shall be ensured that the person raising the issue, if not anonymous, is not targeted or penalized for raising the matter in all circumstances. Confidentiality shall be maintained to the fullest extent possible. However, if the person raising the issue has acted with false malicious intent, disciplinary action may be taken against the person.

Anti-Harassment Policy

Objectives:

The objective of GTML is to offer employment opportunity, based upon talent and performance in a safe & productive environment, free of discrimination and to provide a workplace in which employees are treated with dignity and respect. Therefore, it is the policy of GTML that any employee or supervisor shall not harass another employee or member of the public.

Recognizing Harassment:

Any conduct that could interfere with an individual's work performance or create a hostile work environment is forbidden. GTML will operate a zero-tolerance policy for any form of harassment either it is sexual or other like violence, verbal or physical abuse, discriminatory comments based on ethnicity, religion or race, inappropriate language, or other non-business, personal comments or conduct that make others uncomfortable in their employment with the Company.

Employee Responsibilities:

GTML encourages and expects Employees to report harassment or other inappropriate conduct as soon as it occurs and report the behavior to either their line manager, or HOD or HR department if their direct supervisor is involved in the bullying or harassment. Employees who feel comfortable directly intervening in situations where they perceive bullying or harassment are encouraged to do so.

Supervisor Responsibilities:

Line managers and HODs who receive a complaint of bullying or harassment, who observe such behavior, or suspect that such behavior is occurring have a duty to investigate the behavior and address it to HR department for necessary action to be taken. All complaints of sexual harassment will be taken seriously and treated with respect and in confidence. No one will be victimized for making such a complaint.

Investigation of Harassment:

GTML takes all reports of harassment seriously. Any such complaint will be promptly and thoroughly investigated. The investigation will be as confidential as possible. All persons involved, including complainants, witnesses, and alleged offenders may be required to cooperate in an investigation, will receive fair and impartial treatment, and will not be subject to retaliation for information disclosed to the Company.

HR department may review documents including all electronic communications, interview employees, or take whatever investigatory steps it deems necessary to determine whether harassment occurred.

The complainant will be notified about the outcome of the investigation, although the Company may decline to reveal specific disciplinary actions taken where there are confidentiality issues with such disclosures.

Any such complaint or issue can either be discussed with line manager or HOD or HR department. In order to file a complaint officially, employee can also contact the members of the harassment committee, specifically formed to address harassment related issues through allotted email address [enquiry@qadoontextile.com]

To foster a respectful and safe workplace, GTML implements comprehensive training on harassment prevention and response for all employees. This training will equip staff with the knowledge and tools necessary to identify, address, and report any instances of harassment effectively.

The Company has implemented stringent controls to ensure that the records maintained are not only in compliance with the standard procedures but are also stored in a way that ensures their safety along with the timely retrieval of data when required.

In order to ensure the safety of records, the Company has adopted the following measures:

- Introduction of the 'paperless environment' initiative in the past under which all the records and relevant documents are being scanned so that they are available electronically, addressing the safety and time-bound concerns of records.
- Implementation of precautionary measures such as fire-extinguishers and fire-resistant measures ensures the security of the Company's sensitive documents.
- Efficient disposal of records and information when it is no longer required under the sustainable development goal of responsible consumption.

During this period, the Company has significantly reduced paper consumption by advancing its digitization efforts. Scanned documents are stored securely within the system, and access to print these records is strictly controlled.

Details about Board meetings and its attendance is covered in Directors' Report on (Page: No. 096)

The Board of Directors periodically monitors the Business Continuity and Disaster Recovery of the Company for the smooth functioning of the systems and servers, and for the prevention of any unforeseen adversity. Detailed plan and strategy with regard to BCP / DRP has been presented to the Board. Further, the Board is also involved in continuous monitoring of the risk which the Company is exposed to and the relevant strategies in place to mitigate them.

The total number of shares held by Sponsors / Directors as of June 30, 2026, are 19,538,471 i.e., 69.71% of the total paid-up capital of the Company. No shares are held by any executives of the Company. The breakup is as follows:



Directors, Associated Company, Sponsors their Associates

Director	No. of Shares	Percentage
Mr. Muḥammad Ali Ṭabba	3,173	0.0113%
Mr. Jawed Yunus Ṭabba	4,744	0.0169%
Mr. Muḥammad Ḥassan Ṭabba	500	0.0018%
Mr. Ibrahim Sohail Ṭabba	500	0.0018%
Syed Muḥammad Shabbār Zaidi	500	0.0018%
Mr. Moin M Fudda	500	0.0018%
Ms. Fauziā Ḥasnāin	500	0.0018%

Chief Executive	No. of Shares	Percentage
Mr. Muḥammad Sohail Ṭabba	4,744	0.0169%

Sponsors and Associates	No. of Shares	Percentage
Mr. Imran Yunus	4,744	0.0169%
Ms. Rāhilā Aleem	3,673	0.0131%
Ms. Māriam Ṭabba Khan	3,673	0.0131%
Ms. Zulekhā Ṭabba Māskatiya	3,673	0.0131%
Ms. Khairunnisā	460	0.0016%
Ms. Kulsum	7,346	0.0262%
Y.B. Holding (Private) Limited	19,499,741	69.57%

Independent Auditor’s Review Report

TO THE MEMBERS OF GADOON 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 Gadoon Textile Mills Limited (the Company) for the year ended June 30, 2026, 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, 2026.

Chartered Accountants

Place: Karachi
Date: August 31, 2026
UDIN: CR202610099QrMcWYZx3

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”)

Name of Company: Gadoon Textile Mills Limited (the “Company”)
Year ended: June 30, 2026

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

1. The total number of directors are 8 including the Chief Executive as a deemed Director as per the following:

- a. Male: 7
- b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent directors	Syed Muhammad Shabbar Zaidi Mr. Moin M. Fudda
Non-executive directors	Mr. Muhammad Ali Tabba (Chairman) Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba Mr. Ibrahim Sohail Tabba
Executive director	Mr. Muhammad Sohail Tabba (CEO)
Female Independent director	Ms. Fauzia Hasnain

The independent directors meets the criteria of independence under the Companies Act, 2017 (the “Act”).

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 to safeguard the rights and well-being of employees and for protection against harassment at the workplace 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 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 the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
9. All the Directors have either completed the Director’s Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19.
10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations
11. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;

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

Committee	Name of members and Chairman
Audit Committee	Syed Muhammad Shabbar Zaidi (Chairman) Mr. Moin M. Fudda Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba Ms. Fauzia Hasnain
HR and Remuneration Committee	Mr. Moin M. Fudda (Chairman) Mr. Jawed Yunus Tabba Ms. Fauzia Hasnain Mr. Ibrahim Sohail Tabba
Sustainability Committee	Ms. Fauzia Hasnain (Chairperson) Mr. Moin M. Fudda Mr. Ibrahim Sohail Tabba

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

14. The frequency of meetings of the committees was as per following:

Committee	Frequency of meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Annually
Sustainability Committee	Bi-Annually

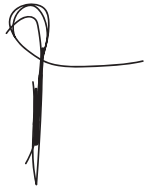
15. The Board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (the “ICAP”) and registered with Audit Oversight Board of Pakistan (the “AOBP”), that they and all their partners are in compliance with International Federation of Accountants (the “IFAC”) guidelines on code of ethics as adopted by the ICAP 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, the 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 with respect to compliance with non-mandatory requirements of the Regulations is specified below:

Sr. No.	Non-Mandatory Requirements	Regulation No.	Explanation
1	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board’s committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard.
2	Risk Management Committee: The Board may constitute a risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Board itself and through its Audit Committee annually reviews business risk facing the Company to ensure that a sound system of risk identification, risk management and related systematic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.
3	Independent Evaluation of the Board’s Performance	10(3)(v)	The Regulations allow three-year’s time to perform evaluation externally. The Company will arrange external evaluation in 2026 – 27.
4	Risk Management Committee: Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors’ Training program from year July 2020; and (ii) at least one head of department every year under the Directors’ Training program from July 2022.	19(3)	The Company will arrange training program for the female executive and head of department in 2026 – 27



Muhammad Ali Tabba
Chairman / Director

Karachi: August 4, 2026



Muhammad Sohail Tabba
Chief Executive Officer

Board Committees

Human Resource & Remuneration Committee

The Human Resource and Remuneration (HR&R) Committee comprises of four members. The Chairman of the Committee is an independent Director.

- 1) Mr. Moin M. Fudda (Chairman)
- 2) Mr. Jawed Yunus Tabba
- 3) Ms. Fauzia Hasnain
- 4) Mr. Ibrahim Sohail Tabba

The Committee held one meeting during the year. The attendance of each member is disclosed in the “Directors’ Report”.

Terms of Reference

- a) Provide strategic guidelines for the overall governance of Human Resource processes within the Company. Review, oversee and evaluate the Compensation strategy implemented within the Company, approve the head count, review the annual performance appraisal, training and development, succession planning, Diversity, Equity & Inclusion and code of conduct processes implemented across the Company;
- b) Approve any study/survey relevant to Human Resources to be undertaken in order to benchmark / obtain reliable data to assist the Board Human Resources Committee in discharging its duties;
- c) To provide guidelines to the operational management of Human Recourses with respect to hiring of resources, including permanent, third party, management trainees and interns;
- d) Recommended to the Board for consideration and approval a policy framework for determining remuneration of Directors and senior management preferably taking into consideration that such remuneration commensurate with the performance of the Company and evaluation of Board and management (as applicable). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
- e) Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors’ report disclosing name, qualifications and major terms of appointment;
- f) Recommending human resource management policies to the Board;
- g) Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

- h) Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer;
- i) Where human resource and remuneration consultants are appointed, they shall disclose to the Committee their credentials and as to whether they have any other connection with the Company; and
- j) Reviewing the audit observations, if any, raised by the internal and external auditors of the Company relating to the HR function.

II. Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

III. Members of the Committee

The Human Resource and Remuneration Committee shall be constituted of at least three Members comprising a majority of non-executive Directors of which at least one shall be an independent Director. The Chairman of the Committee shall be an independent Director. The CEO may be included as a Member of the Committee but not as the Chairman of Committee. The CEO, if Member of the Committee shall not participate in the proceedings of the Committee on matters that directly relate to his performance and compensation.

IV. Secretary

The Head of Human Resources shall be the Secretary of the Board Human Resources Committee.

V. Quorum

The quorum for the transaction of any business shall be of two Members.

VI. Meetings

The Committee shall meet at-least once in a financial year and at such other times as the Chairman of the Committee may deem necessary.

VII. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each Committee Member at preferably seven days prior to the date of the meeting but not later than three days before the meeting.

In case of urgency / emergency, notice period may be reduced or waived.

VIII. Minutes

The Secretary shall minute the proceedings of the meeting and circulate to all the Members of the Committee within fourteen days from the date of meeting.

Audit Committee

The Board Audit Committee (BAC) comprises of five members including its chairman. All members are Non-Executive Directors, while chairman and Two member of Committee are independent Directors. Members of the BAC are as follows:

- 1. Syed Muhammad Shabbar Zaidi (Chairman & Independent Non-Executive Director)
- 2. Mr. Moin M. Fudda (Independent Non-Executive Director)
- 3. Ms. Fauzia Husnain (Independent Non-Executive Director)
- 4. Mr. Jawed Yunus Tabba (Non-Executive Director)
- 5. Mr. Muhammad Hassan Tabba (Non-Executive Director)

Terms of Reference

The terms of reference of the BAC includes the following:

- a) Determination of appropriate measures to safeguard the company’s assets;
- b) Review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other statutory and regulatory requirements; and
 - All related party transactions;
- c) Review of preliminary announcements of results prior to external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management’s response thereto;
- f) Ensuring coordination between the internal and external auditors of the company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management’s response thereto;
- i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and

the reporting structure are adequate and effective;

- j) Ensuring that risk mitigation measures are robust and the integrity of financial information is ensured;
- k) Review of the company’s statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- l) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- m) Determination of compliance with relevant statutory requirements;
- n) Monitoring compliance with the applicable Code of Corporate Governance Regulations and identification of significant violations thereof;
- o) Review governance and oversight of sustainability risks and opportunities, including the environmental, social and governance considerations within the Company and to recommend appropriate measures to proactively understand and address both principal and emerging sustainability risks and opportunities relevant to the Company and its businesses;
- p) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- q) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof; and
- r) Consideration of any other issue or matter as may be assigned by the Board of Directors.

II. Review of Terms of Reference

The terms of reference of the Committee may be revised and modified from time to time with the approval of the Board; either when it is required by any change in law / Code of Corporate Governance or there is any need to do so.

III. Members of the Committee

The Board Audit Committee shall be constituted of at least three Members comprising of non-executive directors of which at least one shall be an independent director. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the Board. The Board shall satisfy itself such that at least one Member of the Board Audit Committee qualifies as ‘financially literate’.

IV. Secretary

The Chief Internal Auditor shall be the Secretary of the Board Audit Committee.

V. Quorum

The quorum for the transaction of any business of the Committee shall be of two Members.

VI. Meetings

The Committee shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the Company by its Board of Directors and after completion of external audit.

A meeting of the Board Audit Committee shall also be held, if requested by the external auditors, the Chief Internal Auditor or to discuss any specific agenda as desired by the Members of the Committee.

VII. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each Committee

Member at preferably seven days prior to the date of the meeting but not later than three days before the meeting.

In case of urgency / emergency, notice period may be reduced or waived.

VIII. Minutes

The secretary shall circulate minutes of meetings of the Board Audit Committee to all Members, Directors and the CFO prior to the next meeting of the Board and where this is not practicable, the Chairman of the Board Audit Committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board.

Board Sustainability Committee

The Board Sustainability Committee (BSC) comprises of three members. The Chairperson of the Committee is an independent Director.

- 1) Ms. Fauzia Hasnain (Chairperson)
- 2) Mr. Moin M. Fudda
- 3) Mr. Ibrahim Sohail Tabba

The Committee held one meeting during the year. The attendance of each member is disclosed in the “Directors’ Report”.

Purpose

The Board Sustainability Committee (“BSC”) supports the Board in reinforcing the Company’s long-term commitment to all three pillars of sustainable development i.e. People, Planet and Prosperity. The BSC will provide focused oversight on environmental, social and governance (ESG) initiatives to drive responsible business practices, manage risks related to climate change, social impact and enhance stakeholder value. Additionally, it will ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) ESG Guidelines, 2023 as well as with IFRS S-1 and S-2 standards, ensuring that sustainability reporting aligns with global best practices. The BSC will also strengthen transparency and accountability in meeting sustainability targets, fostering trust with investors, customers and the broader community.

I. Strategy and Policy Oversight

- a) Review and recommend the Company’s overall Sustainability and ESG (Environmental, Social, and Governance) Strategy, including alignment with global best practices & frameworks and local regulatory requirements;
- b) Oversee the development and annual review of key sustainability policies, including;
 - Environmental Policy (Focusing on water management, effluent treatment, energy efficiency, and GHG emissions reduction);
 - Occupational Health, Safety, and Environment (OHS&E) Policy;
 - Human Rights and Labor Practices Policy (covering wages, working hours, and prevention of forced / child labor);
 - Diversity, Equity, and Inclusion (DE&I) Policy; and
 - Anti-Harassment Policy.

II. Climate Risk Management

Review and monitor the Company’s exposure to climate-related risks and opportunities, assessing their potential financial and operational impact.

(a) Physical Risk

Review of both acute (flooding, wildfires and extreme heat & rainfall etc.) and chronic (Drought & water scarcity, shifting growing seasons and longer-term shifts in agricultural conditions etc.) risks associated with climate events to determine potential impacts on assets, infrastructure and supply chains.

(b) Transition Risk

Review of potential transition risk which may result in financial loss or business disruption as the economy shifts toward low-carbon and climate-resilient business practices such as Carbon pricing, trade restrictions or carbon border taxes.

i. Regulatory Risk

Both current and emerging regulations are evaluated to ensure compliance and adaptability to evolving legal requirements for instance stricter emissions targets, access to green finance.

ii. Technological Risk

Considerations to technological advancements and their role in reducing carbon emissions or enhancing operational efficiency.

iii. Legal Risk

Review of potential legal exposures due to climate-related regulations and analyze market dynamics affected by consumer and investor climate awareness.

iV. Reputational Risk

Review and monitor potential reputational damage and loss of market share, especially in key markets.

III. Environmental Management

Resource Efficiency: Review and monitor performance on key environmental metrics including but not limited to:

- Efficient use of water and wastewater management;
- Energy Consumption and renewable energy adoption targets;
- Waste Management and circular economy initiatives;
- Greenhouse Gas (GHG) emissions reduction targets;
- Biodiversity and Ecosystem Health; and
- Compliance to local and international laws on Environment.

IV. Social Responsibility

Workforce & Labor: Monitor management's adherence to fair labor standards, anti-harassment policies, and compliance with all relevant labor laws (e.g., Child Labor Law, Protection Against Harassment of Women at the Workplace Act, 2010).

Health and Safety: Oversee the Company's safety culture and performance, reviewing major incidents, key safety indicators (e.g., Lost Time Injury Frequency Rate), and proactive measures.

Community Engagement & Supply Chain: Review the Company’s Corporate Social Responsibility (CSR) activities, community investment, and ethical sourcing practices throughout the textile supply chain, ensuring suppliers comply with the Company’s sustainability standards.

Diversity & Inclusion: Monitor the implementation of DE&I strategies, priorities, and targets across the Board, management and workforce, including gender representation.

V. Governance and Reporting

Risk Integration: Ensure that sustainability-related risks and opportunities are effectively integrated into the Company's overall enterprise risk management (ERM) framework.

Disclosure: Oversee the integrity and accuracy of the Company’s sustainability-related disclosures, including the Annual Sustainability Report, ensuring compliance with SECP ESG Disclosure Guidelines and alignment with frameworks like IFRS S1 and S2.

Stakeholder Engagement: Review the process and effectiveness of stakeholder engagement concerning sustainability issues through setting a clear policy with reasonable materiality assessment, overseeing management’s execution, identify and prioritize key stakeholders, compliance with environmental laws, employee engagement surveys & grievance trends, customers’ & suppliers’ feedback system, Board’s statement on sustainability risks & opportunities in annual reports, maintaining effective channels of communications through addressing concerns raised at the general meetings (AGM, EOGM), investors’ corporate briefing sessions, Employee town halls, etc. and integrating stakeholder feedback into strategy.

Diversity & Inclusion: periodically review the data on gender diversity, pay gap ratio, minimum wage and ensure compliance with mandatory disclosures.

External Assurance: Recommend whether external assurance should be sought for the sustainability data and disclosures.

VI. Review of Terms of Reference

The BSC may review the ToRs of the BSC and shall revise from time to time with the approval of the Board; either when it is required by any change in law / Code of Corporate Governance or there is any need to do so.

VII. Secretary

The BSC shall appoint a Secretary for necessary support who shall attend the BSC meetings, and be responsible for all meeting preparations, which would include ensuring that the Committee Members receive the necessary information and meeting documents in a timely manner. The Secretary shall also be responsible for the preparation and proper maintenance of the meeting minutes.

VIII. Quorum

The quorum for the transaction of any business of the BSC shall be of two Members.

IX. Meetings

The BSC shall meet at least twice in a financial year. The meeting shall be held prior to the Board meeting for approval of annual financial statement of the Company.

A meeting of the BSC shall also be held if requested by the external assurer, or to discuss any specific agenda as desired by the Members of the BSC.

X. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each BSC Member at least seven days prior to the date of the meeting.

In special circumstances, or if there is a requirement for an urgent meeting, the notice period may be reduced or waived by the BSC, with the reasons being noted in the meeting minutes.

XI. Reporting to the Board

The BSC Chair shall report to the Board after each BSC meeting on the key deliberations, findings, recommendations and decisions taken.

XII. Minutes

The Secretary shall circulate the minutes of meetings of the BSC to all Members within fourteen days from the date of the BSC meeting and where this is not practicable or possible, the Chair of the BSC shall communicate a synopsis of the proceedings to the Board in the next Board meeting.

XIII. Self-Assessment and Review

The BSC shall conduct an annual review of its own performance and effectiveness, discuss the results of this evaluation and recommend improvements. At its discretion, the Committee may assign the evaluation of its performance and effectiveness to an external consultant

Report of Audit Committee

The Audit Committee of Gadoon Textile Mills Limited (the Company), composed of five members including the Chairman, consists entirely of Non-Executive Directors, with the Chairman and two members being an Independent Director. All Committee members possess significant economic, financial, and business expertise, and all Directors are financially literate.

Compliance with Regulations:
The Company has complied with the mandatory requirements specified under 'The Listed Companies (Code of Corporate Governance) Regulations, 2019' (Regulations) as well as other statutory and regulatory obligations.

Statement of Compliance:
The Company has issued a Statement of Compliance with the Regulations, which has been reviewed and certified by the external auditors of the Company.

Code of Conduct:
The Company's Code of Conduct has been effectively communicated across the organization.

Accounting Policies and Disclosure:
The Company has consistently applied appropriate accounting policies, and any changes have been appropriately disclosed in the financial statements, which present a fair representation of the Company's financial position, results of operations, cash flows, and changes in equity for the year under review.

Accounting Estimates and Records:
Accounting estimates have been made based on reasonable and prudent judgment. The Company has maintained proper and adequate accounting records in accordance with applicable laws, and its financial reporting is consistent with management processes and sufficient to meet the needs of shareholders.

Financial Statements:
The financial statements for the year ended June 30, 2026, have been prepared on a going concern basis in accordance with approved accounting standards applicable in Pakistan. The approved accounting standards comprise International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and notified under the Companies Act, 2017 (the Act), and the Act's provisions and directives. In case of any conflicts, the provisions of or directives under the Act take precedence.

Review of Financial Statements:
The Audit Committee has reviewed the quarterly, half-yearly, and annual financial statements of the Company and recommended them for approval by the Board of Directors. Additionally, it has reviewed preliminary announcements of results prior to publication.

Attendance of CEO and CFO:
The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) attended Audit Committee meetings by invitation.

Endorsement of Financial Statements:
The CEO and CFO have duly endorsed the Company's financial statements, acknowledging their responsibility for a true and fair presentation in accordance with approved accounting standards applicable in Pakistan.

Fair and Understandable Annual Report:
The Committee has reviewed the Annual Report and confirms that it provides a fair, balanced, and understandable representation of the Company. The Annual Report discloses information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Related Party Transactions:
The Committee has reviewed all related party transactions conducted during the year, which were subsequently approved by the Board.

Reporting Mechanism and Allegations (Whistle Blowing):
The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee, ensuring that any allegations are taken seriously. No such incidents were reported to the Audit Committee during the year.

Evaluation of Committees and Members:
The Board carries out an annual evaluation of its committees and their members. The results of the evaluation conducted were found to be satisfactory.

INTERNAL AUDIT AND RISK MANAGEMENT

Role of Internal Audit:
The Internal Audit function plays a vital role in enhancing the overall control environment of the Company.

Independent Audits:
The Internal Audit Department conducted independent audits in accordance with an internal audit plan and reported functionally to the Audit Committee.

Chief Internal Auditor (CIA):
The CIA attended Audit Committee meetings and also served as the Secretary to the Audit Committee.

Access to Chairman and Staffing:
The CIA has direct access to the Chairman of the Audit Committee, and the Committee has ensured the presence of personnel with sufficient internal audit expertise.

Review of Internal Audit Reports:
The Audit Committee reviewed the internal audit reports presented by the CIA, which encompass audit findings,

opportunities for process improvement, control weaknesses, and recommendations. A risk rating system based on likelihood and impact was utilized, resulting in the assignment of high to low-risk ratings.

Internal Control and Risk Management Systems:

The Company's internal control systems, including financial and operational controls, accounting systems, and reporting structure, are designed to manage and mitigate the risk of not achieving business objectives. However, these systems can only provide reasonable assurance, not absolute certainty, against material misstatement or loss. The Committee has determined that the risk management and internal control systems are adequate and effective.

EXTERNAL AUDIT

Access to External Auditors:
The Audit Committee granted direct access to the External Auditors.

Key Audit Matters and Management Letter:
The Audit Committee reviewed and discussed Key Audit Matters and observations with the external auditors. The Management Letter, as required by the Regulations, will be submitted within 45 days of the date of the Auditors' Report on the financial statements and will be discussed in the next Audit Committee meeting.

Retiring External Auditors:
The external auditors, M/s. Yousuf Adil Chartered Accountants, have been engaged as the Company's external auditors since 2005. They have completed their audit assignment and review of the Statement of Compliance with the Regulations and will retire upon the conclusion of the 39th Annual General Meeting.

Reappointment of Auditors:
Being eligible for reappointment as Auditors of the Company, the Audit Committee recommends the appointment of M/s. Yousuf Adil Chartered Accountants as the external auditors of the Company for the year ending June 30, 2027.



Syed Muhammad Shabbar Zaidi
Chairman Board Audit Committee
Place: Karachi
Date: August 04, 2026

Whistle Blowing Mechanism

During the FY-2026, no whistle blowing incidents were reported to the Audit Committee which is indicative of a strong governance and sound ethical practices.

Attendance in Annual General Meeting

Syed Muhammad Shabbar Zaidi (the Chairman of the Audit Committee) attended the Annual General Meeting of the Company for the year 2025 held on 26th of September 2025 to answer shareholders’ concerns / questions / queries, if any, on the audit committee’s scope, roles, and responsibilities. During the meeting, no significant issues were raised.

Enterprise Resource Planning (ERP)

Following the successful implementation of our in-house Enterprise Resource Planning (ERP) system in the 2024-25, the Company has now transitioned into a phase of stable operation and continuous optimization. Over the past year, the ERP has become an integral part of our organizational processes, enhancing decision-making, streamlining operations, and improving overall efficiency.

Leveraging ERP for Advanced Operational Efficiency

With a year of live usage, our focus has shifted from deployment to optimization. The IT and management teams are committed to further enhancing the ERP’s functionality by refining workflows, integrating additional business modules, and upgrading analytics capabilities. These improvements aim to deliver more actionable insights, enable data-driven decisions, and strengthen cross-departmental collaboration.

Revenue Optimization Through Integrated Insights

The ERP system continues to unify sales, customer management, and financial data, enabling a more precise analysis of revenue streams. By leveraging real-time insights, the Company is better positioned to anticipate customer needs, explore new market opportunities, and optimize pricing and product strategies.

Enhanced Financial Management

Having successfully automated core financial processes, the ERP now provides advanced forecasting and analytics capabilities. This empowers management with accurate budgeting, optimized resource allocation, and timely responses to market shifts, supporting stronger financial governance and strategic planning.

Streamlined Accounting and Reporting

Automated workflows have significantly reduced manual data entry, errors, and reporting delays. Financial information is now recorded and processed with greater speed and accuracy, facilitating timely reporting and compliance with statutory requirements.

Real-time Operational Insights

The ERP system delivers continuous, real-time data across all business functions. This visibility equips leadership with the intelligence needed to respond swiftly to operational challenge, identify opportunities, and maintain a proactive approach in competitive markets.

Integrated Inventory and Supply Chain Management

By coordinating inventory and supply chain processes within the ERP, the Company has achieved improved demand forecasting, enhanced procurement planning, and reduced operational costs. This integrated approach ensures that resources are utilized efficiently, minimizing waste and maximizing productivity.

Management Commitment and Continuous Improvement

Sustained management support has been key to the ERP’s success. Regular system updates, process reviews, and alignment with strategic goals ensure that the ERP remains a robust tool for operational efficiency and informed decision-making.

ERP Training and User Enablement

Over the past year, the Company has continued to provide targeted ERP training programs to ensure users are proficient and confident. Hands-on workshops, interactive tutorials, and role-based training have strengthened adoption and allowed employees to fully leverage the system’s capabilities.

Risk Management in ERP Operations

The Company maintains a proactive risk management framework to address potential ERP-related challenges.

- Key focus areas include:
- Complexity of application processes
 - User experience and adoption
 - Role clarity and responsibilities
 - System credibility and employee satisfaction

By continuously monitoring and mitigating these risks, management ensures the ERP operates smoothly and meets organizational objectives.

System Security and Internal Controls

Robust internal controls, including segregation of duties and strict access management, remain central to the ERP environment. Regular audits, advanced monitoring tools, and role-specific permissions minimize the risk of fraud or errors, safeguarding critical data and ensuring operational integrity.

Impact of Government Policies on Business

The discussion on government policies and their impact on the Company’s performance has been outlined in the section “Overview”, “Economic Prospect”, “Principal Risks and Uncertainty”, and “Future Outlook” of the Directors’ Report.

Company’s Contribution to National Exchequer & Economy

During the year, the Company contributed Rs. 12,223 million in duties, taxes, and levies to government authorities, thereby playing its part in strengthening the national exchequer.

Further, the Company was able to achieve a 17.65% growth in export sales in USD terms, supporting the country’s foreign exchange reserves. Through these contributions, the Company not only creates value for its stakeholders but also serves the broader economy by fostering industrial growth, creating employment opportunities, and contributing to national GDP.



threads of strength

- 158 Analysis of Financial & Non-Financial Performance
- 159 Key Performance Indicators
- 160 Non-Financial Indicators
- 162 Six Years at a Glance
- 163 Graphical Presentation of SOFP and Profit or Loss
- 164 Financial Ratios
- 172 Dupont Analysis
- 173 Free Cash Flow
- 174 Economic Value Added
- 175 Horizontal Analysis
- 179 Vertical Analysis
- 183 Summary of Cash Flow
- 185 Statement of Cash Flows – Direct Method
- 187 Share Price Sensitivity Analysis
- 187 Composition of Local versus Imported Material / Sensitivity Analysis
- 188 Statement of Value Added & its Distribution



Analysis of Financial and Non-Financial Performance

Financial Performance

01

Financial Performance
in comparison with Prior year

During the year, the Company recorded net revenue of Rs. 75.99 billion compared to Rs. 70.98 billion in SPLY, reflecting a strong growth of 7.07%.

Profitability sustained its positive trajectory as net profit surged by 9.89% to Rs. 2.63 billion from Rs. 2.39 billion in SPLY, supported by a 7.16% increase in profit before tax (Rs. 3.86 billion vs. Rs. 3.60 billion).

Correspondingly, earnings per share (EPS) rose to Rs. 93.78 from Rs. 85.33, improving the Company's continued operational resilience.

The detailed analysis of the Company's performance in comparison to the previous year has been reported in the 'Financial Results' section of Directors' Report.

Further details can also be viewed in the section Horizontal/Vertical Analysis of this Annual Report.

02

Financial Performance
in comparison with Budget

The management has a practice of making yearly budgets and monitoring the performance against the same. Deviation, if any, is bifurcated into controllable and non-controllable factors in order to assess the effectiveness of teams responsible for setting the budget.

For controllable factors, timely corrective actions are taken. For non-controllable factors, risk management policies are considered, and strategies are designed to minimize its negative effect.

The Company's sales performance deviated from budgeted figures, with sales volume declining due to the decline in local sales demand.

Profitability also remained below budgeted levels, primarily impacted by higher power costs and lower than expected sales volume.

Key Performance Indicators

Key Performance Indicators (KPIs) are the measurable values that determine the effectiveness and efficiency of achievement of the key business objectives. The Company has used the KPIs to evaluate the success of the business on reaching the targets. The evaluation of GTML's business functions KPIs and to measure the achievements against its objectives has been detailed below:

Revenue Rs. In million			Operating Profit Rs. In million		
2026	2025	% change	2026	2025	% change
75,996	70,980	7.07%	6,295	6,123	2.81%

Profit Before Tax Rs. In million			Profit After Tax Rs. In million		
2026	2025	% change	2026	2025	% change
3,857	3,599	7.16%	2,629	2,392	9.89%

EBITDA Rs. In million			EBITDA in % of sales		
2026	2025	% change	2026	2025	% change
8,894	8,619	3.19%	11.70%	12.14%	-3.62%

Equity Rs. In million			Return on Capital Employed in %		
2026	2025	% change	2026	2025	% change
26,732	23,911	11.80%	20.83%	21.61%	-3.63%

Return on Fixed Assets in %			Earnings Per Share Rupees		
2026	2025	% change	2026	2025	% change
8.98%	9.17%	-2.02%	93.78	85.33	9.90%

Market Capitalization Rs. In million			Net Cash from Operating Activity Rs. In million		
2026	2025	% change	2026	2025	% change
8,577	9,157	-6.34%	9,475	(2,186)	-533.36%

Capital Expenditure Rs. In million			SoP from Associates Rs. In million		
2026	2025	% change	2026	2025	% change
6,016	5,721	5.17%	858	1,217	-29.50%

Non- Financial Indicators

Capital Form	Objectives	KPI Monitored
Manufactured Capital	Implementation of innovative technology and effective techniques.	Reduction in defect ratio by adopting latest and sustainable techniques to ensure total quality management.
	Sustain industry leadership	Significant CAPEX made during the year in technologically advanced machines
Human Capital	Provide a safe and healthy working environment for our employees.	Implementation of organizational safety programs, especially w.r.t. increased number of HSE training session and safety drills.
Natural Capital	Encouraging best customs to support environmental sustainability.	Participated in environmental sustainability activities, including tree plantation, efficient use of sustainable raw material for manufacturing yarn & efficient use of gas for power generation. Further Company also installed Solar Plant of 43.06 MW and 2.61 MW is in process.
Social and Relationship Capital	Contribute effectively as a corporate entity.	Active participation in events and activities for creating a corporate image and building a sense of shared values and mutual respect.
Intellectual Capital	Achieve overall business synergies by maintaining operational efficiencies	Operational efficiencies of the Company are maintained by utilizing the strength of high profile and skilled employees and along with the upgradation of IT system.

Budget

In addition to setting budgets for its financial indicators, the Company also places emphasis on its non-financial indicators and accordingly has allocated budget for the development of its manufactured / human social / relationship capital for the upcoming year.

The management continuously monitors the above-mentioned KPIs and significant variations from the previous year are investigated for corrective actions to be taken. Further, these KPIs are reviewed by the Board on a quarterly basis. The management anticipates these KPIs to be relevant in the future as well in order to assess the Company’s performance.

Methods and Assumptions Used in Compiling the Indicators

The Company uses different sets of methods and assumptions while compiling its financial and non-financial indicators. For compiling non-financial indicators, the Company considers its market positioning, competitor’s strengths, employee’s capabilities, working environment, and technological advancements.

For financial indicators, the Company analyzes sales, gross profit, profit after tax, EPS, DPS, and market value of its share on a regular basis to gauge its performance. The comparison of profit after tax to sales depicts how much the Company is able to retain the distributable profit for the provider of equity in comparison to its sales.

The dividend payment indicates that how much the Company wants to retain the amount from the distributable profits of shareholders for future business expansion / growth.,The Company also analyses the market price of share with its book value to evaluate investors’ confidence in the script. In addition, the Company also actively monitors cash flow from operating activities and access to its liquidity position and working capital requirements

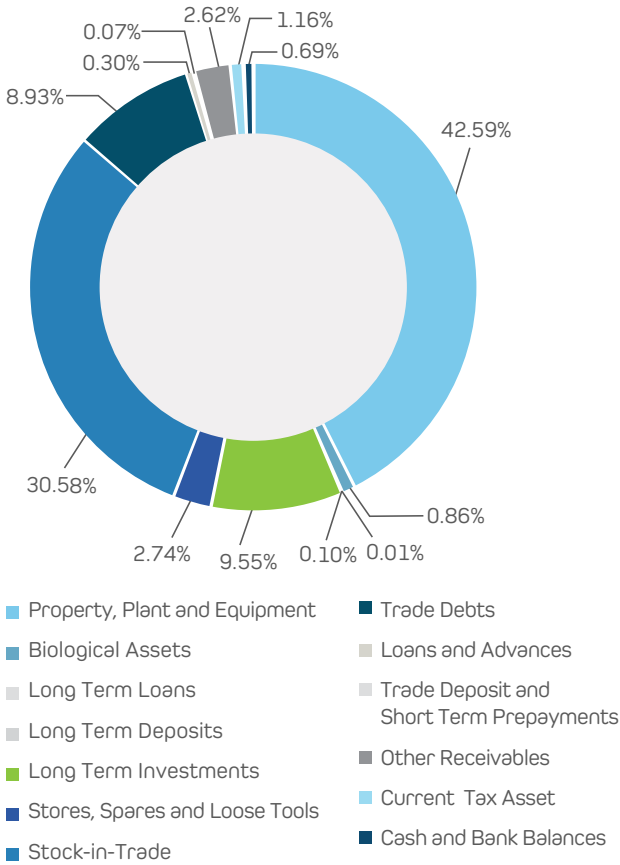
Six Years at a Glance

	2026	2025	2024	2023	2022	2021
(Rupees In '000)						
Assets Employed						
Property, Plant and Equipment	30,908,795	27,619,937	24,563,610	21,242,834	11,016,751	10,253,638
Biological Assets	626,187	563,983	761,358	753,053	365,430	208,396
Long Term Loans, Deposits And Deferred Costs	80,917	74,135	72,339	77,080	80,888	62,526
Current Assets	34,174,973	36,341,454	30,076,820	31,755,061	25,126,484	17,131,011
Long Term Investments	6,930,508	6,518,977	6,357,687	5,497,655	4,233,555	3,570,625
Total Assets Employed	72,721,380	71,118,486	61,831,814	59,325,683	40,823,108	31,226,196
Equity and Liabilities						
Shareholders' Equity	26,731,805	23,910,906	21,498,298	20,691,202	18,003,149	12,610,075
Long Term Finance	4,442,103	3,638,198	5,887,345	9,431,586	4,008,570	3,906,240
Deferred Grant	74,366	107,509	140,159	180,342	186,528	144,078
Current Portion of Long Term Finance	759,924	729,389	679,913	666,994	763,011	735,143
Current Portion of Deferred Government Grant	22,143	27,650	40,132	54,879	56,327	54,077
	5,298,536	4,502,746	6,747,549	10,333,801	5,014,436	4,839,538
Retirement Benefit Obligation	1,149,841	1,272,354	1,205,342	1,008,944	820,993	714,068
Infrastructure Cess	1,057,533	-	-	-	-	-
Deferred Tax Liabilities	1,091,113	743,934	944,968	1,415,003	756,100	780,817
	38,174,619	41,445,585	32,155,702	26,598,606	17,047,768	13,070,918
Current Liabilities	(782,067)	(757,039)	(720,045)	(721,873)	(819,338)	(789,220)
Current portion of Long Term Finance	37,246,708	40,688,546	31,435,657	25,876,733	16,228,430	12,281,698
Total Equity and Liabilities	72,721,380	71,118,486	61,831,814	59,325,683	40,823,108	31,226,196
Turnover and Profit						
Turnover	75,995,927	70,979,986	72,723,982	57,997,240	54,828,147	41,009,841
Gross Profit	5,952,997	6,326,054	5,017,444	6,167,845	8,340,757	4,975,580
Operating Profit	6,294,874	6,122,942	5,363,124	6,930,913	7,464,287	4,657,161
Profit/(Loss) Before Taxation	3,856,751	3,599,211	1,388,904	4,782,283	6,918,066	4,026,100
Profit/(Loss) After Taxation	2,628,528	2,391,904	794,548	3,291,867	5,713,572	3,534,101
Cash Dividend	-	-	-	-	560,592	336,355
Earnings Per Share (PKR)	93.78	85.33	28.35	117.44	203.84	126.08
Book Value Per Share (PKR)	953.70	853.06	766.99	738.19	642.29	449.88

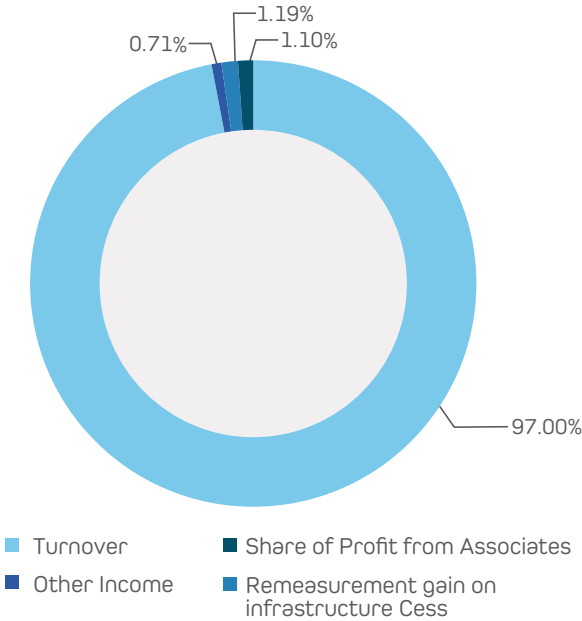
Graphical Presentation

Statement of Financial Position and Profit or Loss for the year Ended June 30, 2026

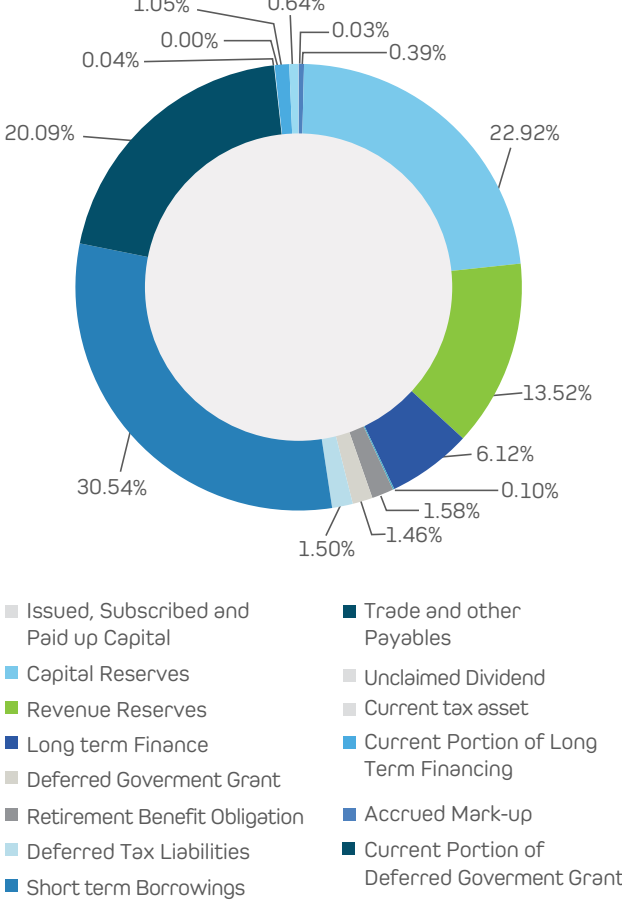
Total Assets



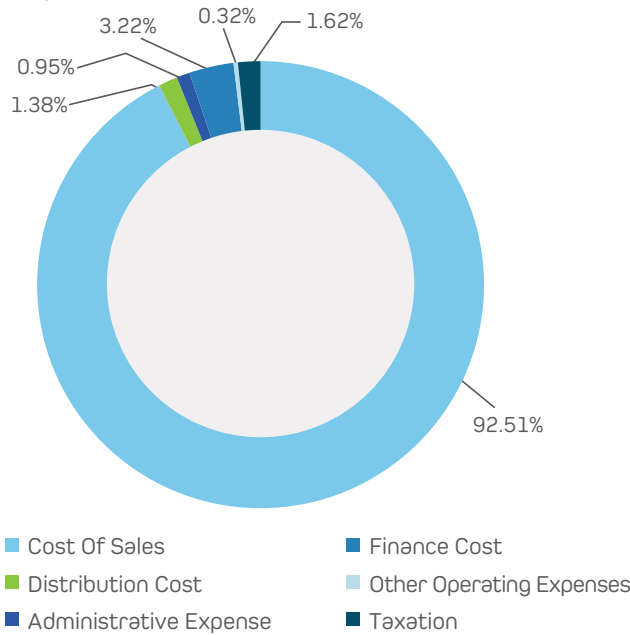
Income



Total Equity and Liabilities



Expense

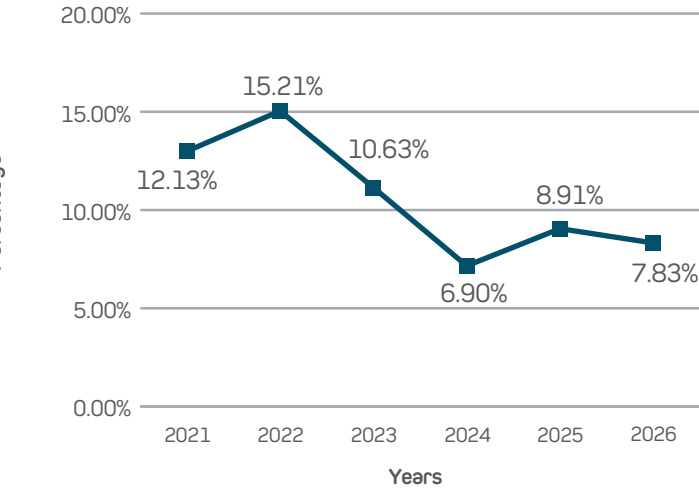


Financial Ratios

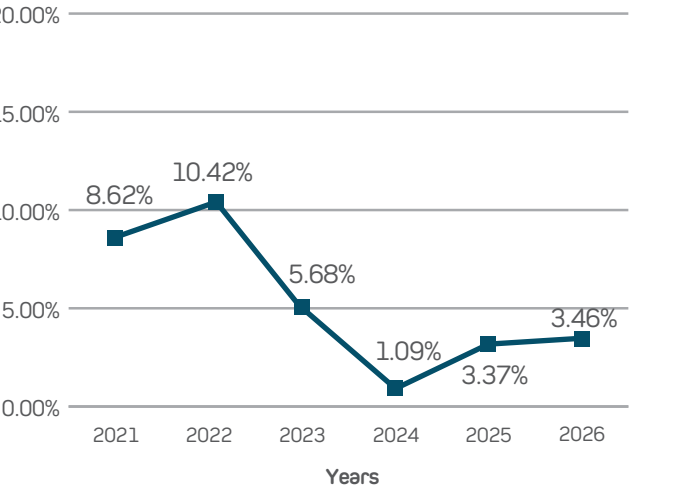
Profitability Ratios

	UoM	2026	2025	2024	2023	2022	2021
GP to Sales	Percentage	7.83%	8.91%	6.90%	10.63%	15.21%	12.13%
PAT to Sales	Percentage	3.46%	3.37%	1.09%	5.68%	10.42%	8.62%
EBITDA to Sales	Percentage	11.70%	12.14%	10.34%	14.03%	15.54%	13.75%
EBDA to Sales	Percentage	6.88%	6.89%	4.05%	7.75%	12.35%	11.02%
Operating Leverage	Times	0.40	(5.91)	(0.89)	(1.24)	1.79	6.59
Return on Equity After Tax	Percentage	10.38%	10.53%	3.77%	17.01%	37.33%	32.58%
Return on Capital Employed	Percentage	20.83%	21.61%	18.10%	25.65%	36.89%	30.92%
Return on Fixed Assets	Percentage	8.98%	9.17%	3.47%	20.41%	53.72%	34.62%
Return on Shareholders' Fund	Percentage	9.83%	10.00%	3.70%	15.91%	31.74%	28.03%
Total Shareholders Return	Percentage	-6.34%	87.87%	-28.57%	-9.83%	12.20%	69.56%
Return on Investment	Percentage	937.77%	853.35%	283.47%	1174.43%	2038.41%	1260.85%

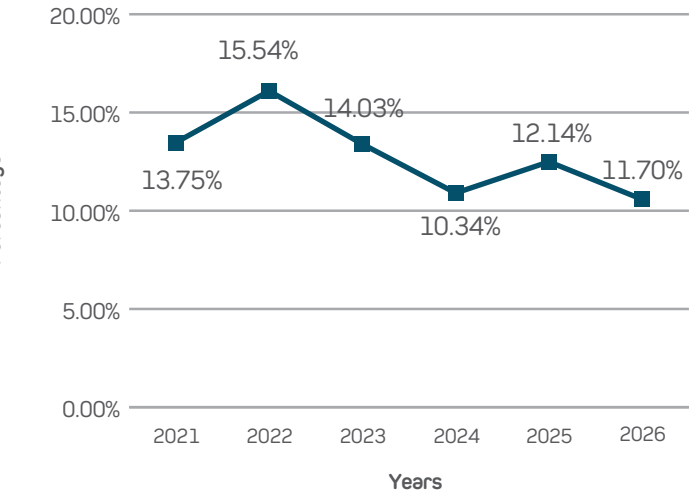
GP to Sales



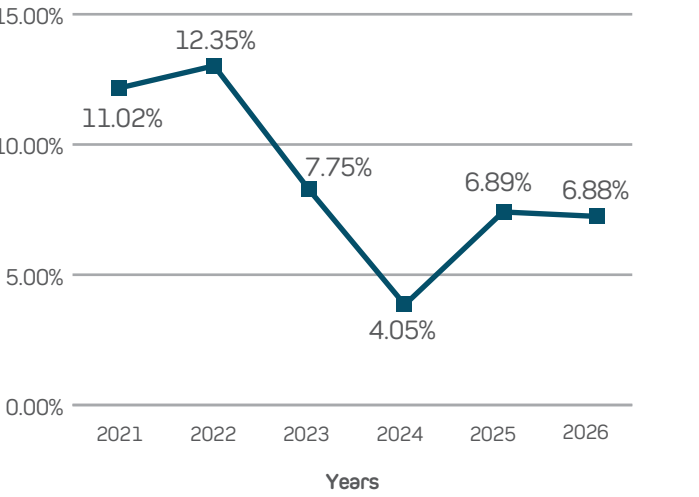
PAT to Sales



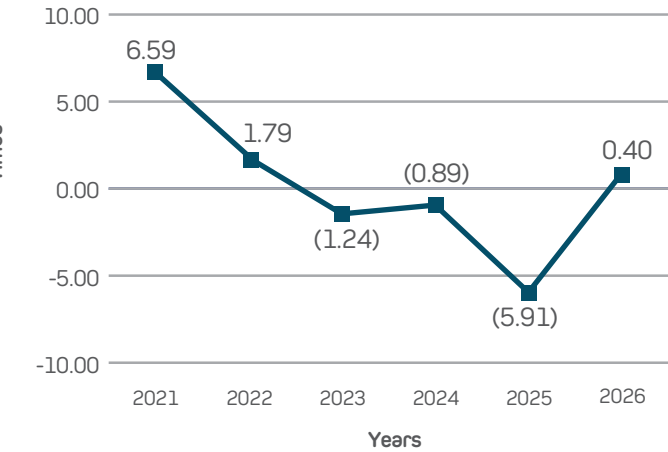
EBITDA to Sales



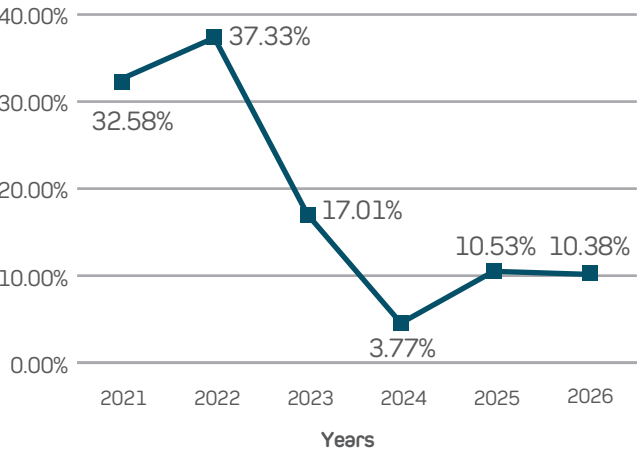
EBDA to Sales



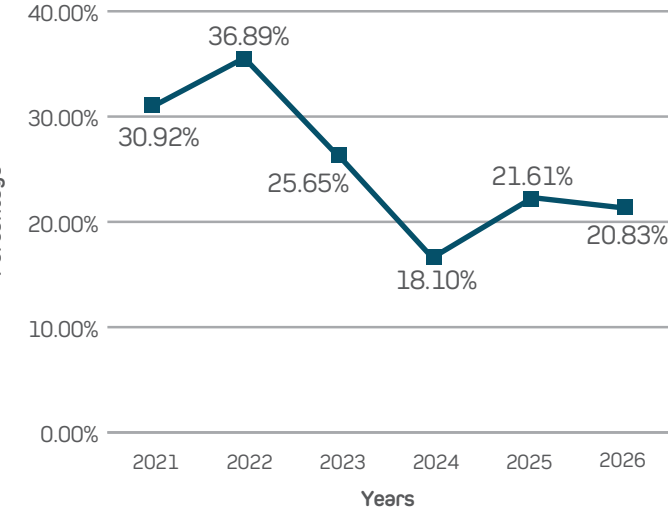
Operating Leverage



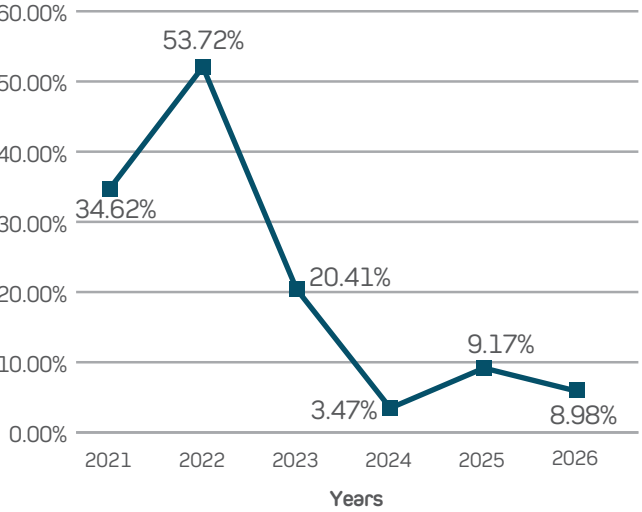
Return on Equity After Tax



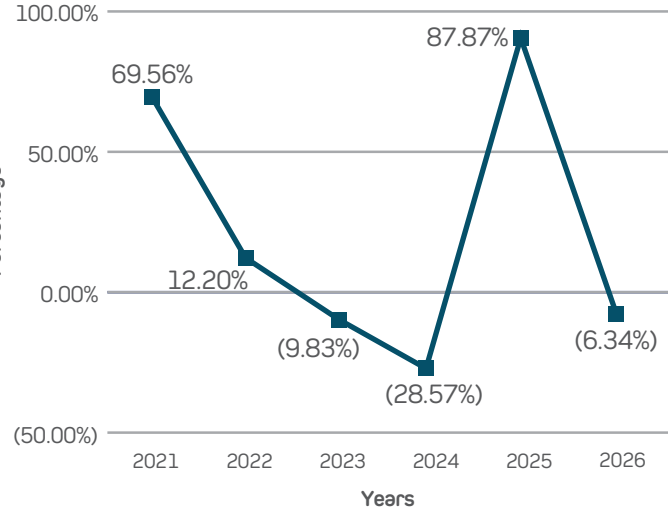
Return on Capital Employed



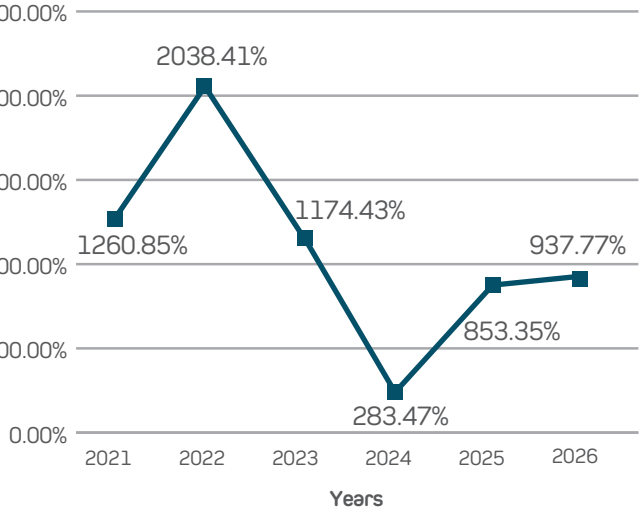
Return on Fixed Assets



Total Shareholders' Return



Return on Investment



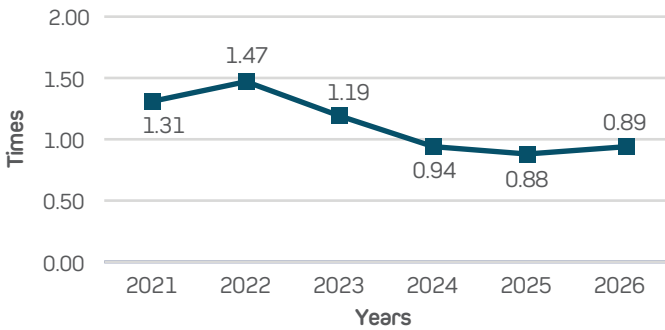
Comments:

The profitability ratios have remained relatively stable during the current year, with no significant fluctuation compared to the prior year. The overall profitability position of the Company remained consistent, as evidenced by the vertical and horizontal analysis of the Statement of Profit or Loss (SOPL).

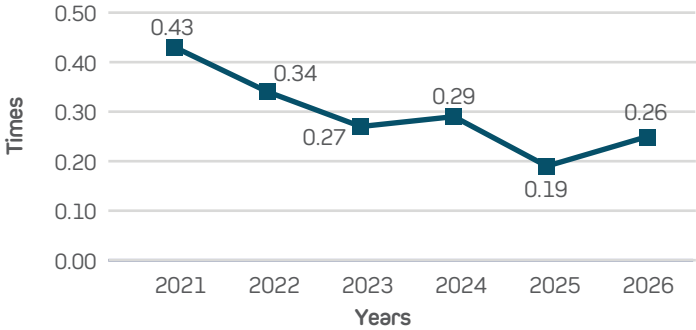
Liquidity Ratios

	UoM	2026	2025	2024	2023	2022	2021
Current Ratio	Times	0.89	0.88	0.94	1.19	1.47	1.31
Quick Ratio	Times	0.26	0.19	0.29	0.27	0.34	0.43
Cash to Current Liability	Times	0.0132	0.0020	0.04	0.01	0.009	0.01095
Cash Flow from Operation to Sales	Times	0.12	(0.03)	0.07	0.01	0.01	0.19
Cash Flow to Capital Expenditures	Times	1.57	(0.38)	0.95	(0.27)	0.27	6.41
Cash Flow Coverage Ratio	Times	0.56	(2.06)	1.35	(3.29)	10.12	0.62

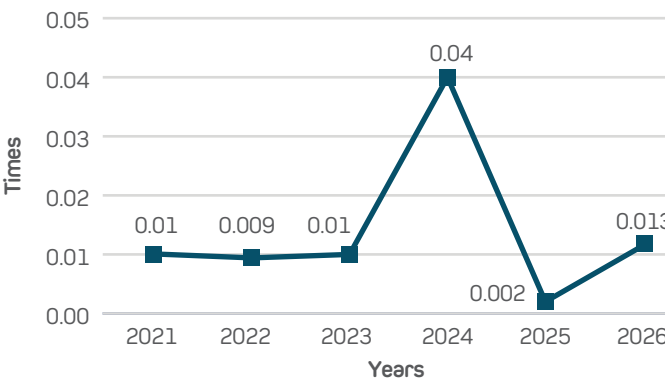
Current Ratio



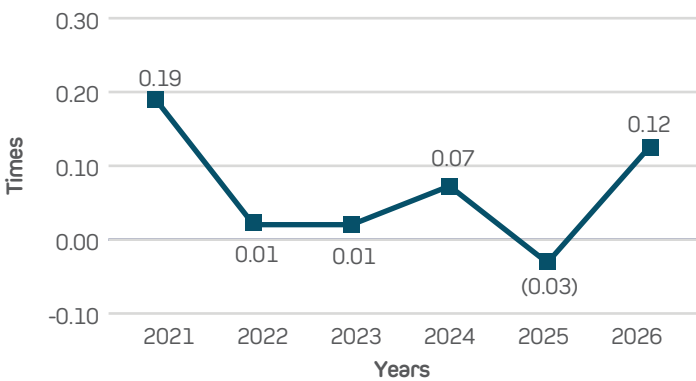
Quick Ratio



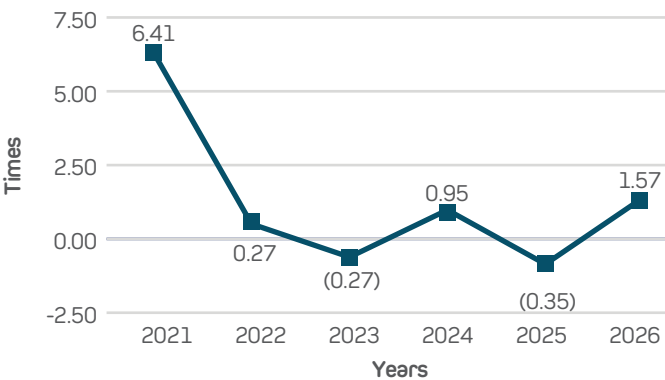
Cash to Current Liability



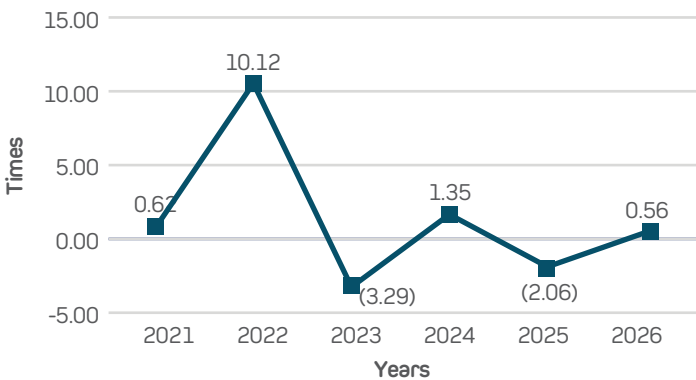
Cash Flow from Operation to Sales



Cash Flow to Capital Expenditures



Cash Flow Coverage Ratio



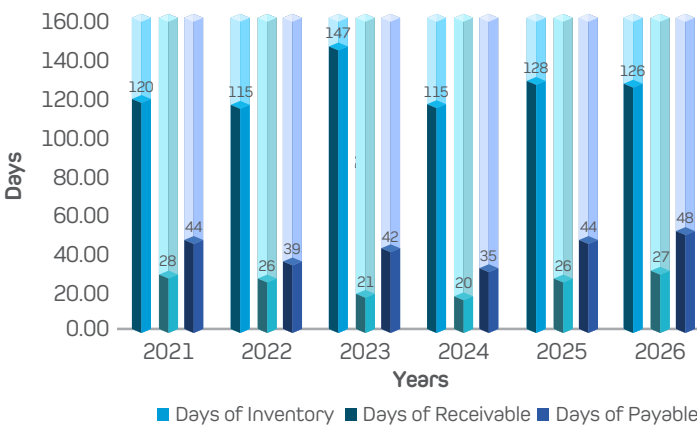
Comments:

Liquidity ratios have remained relatively stable over the years, with a slight improvement observed during the current year. The improvement is mainly attributable to increased cash availability obtained through bank financing, which supported the Company's working capital requirements and strengthened its short-term liquidity position.

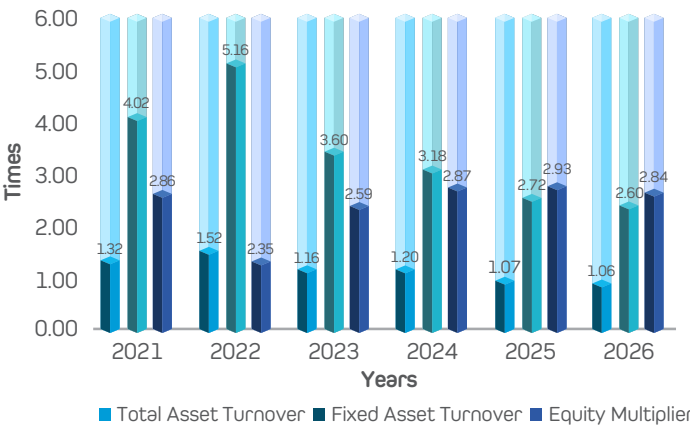
Operating Ratios

	UoM	2026	2025	2024	2023	2022	2021
Inventory Turnover	Times	2.89	2.84	3.17	2.48	3.18	3.03
No. of Days in Inventory	Days	126	128	115	147	115	120
Debtor Turnover	Times	13.29	14.17	18.10	17.25	14.08	12.87
No. of Days in Receivable	Days	27	26	20	21	26	28
Creditor Turnover	Times	7.65	8.27	10.30	8.60	9.25	8.31
No. of Days in Payable	Days	48	44	35	42	39	44
Operating Cycle	Days	107	111	101	127	100	105
Total Asset Turnover	Times	1.06	1.07	1.20	1.16	1.52	1.32
Fixed Asset Turnover	Times	2.60	2.72	3.18	3.60	5.16	4.02
Equity Multiplier	Times	2.84	2.93	2.87	2.59	2.35	2.86

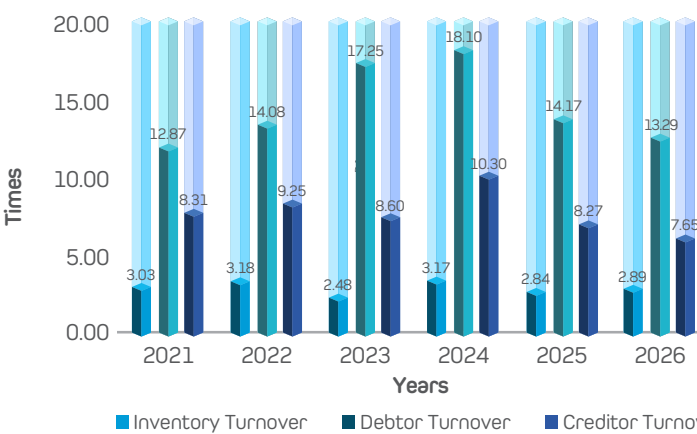
Working Capital Ratios (in Days)



Turnover Ratios (in Times)



Working Capital Ratios (in Times)



Comments:

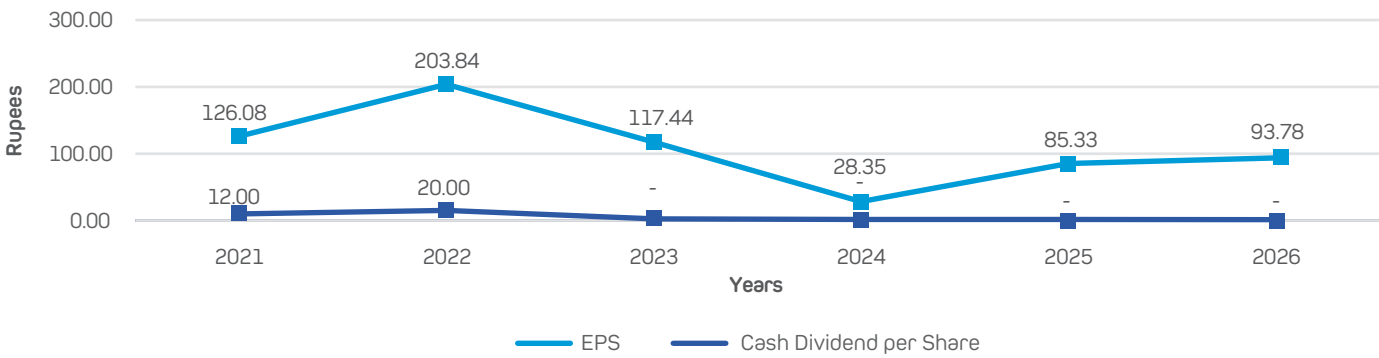
The operating cycle of the Company has improved during the current year, primarily due to better demand and efficient inventory management, resulting in a reduction in inventory days.

Total asset turnover has improved during the current year due to better utilization of assets and improved inventory management. Fixed asset turnover has also strengthened, reflecting improved utilization of the expanded and upgraded asset base following the significant investment made in expansion and BMR activities during the prior year.

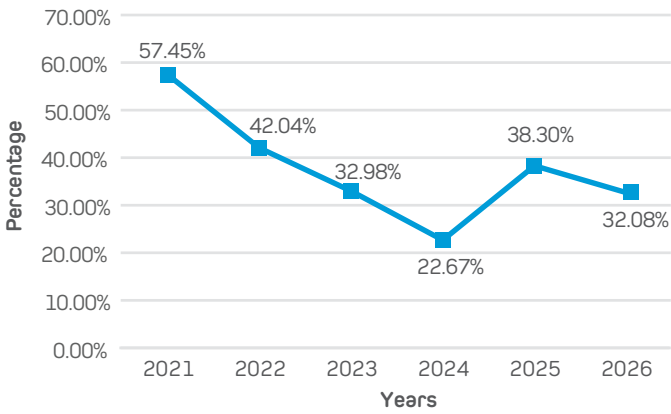
Market Ratios

	UoM	2026	2025	2024	2023	2022	2021
EPS	Rupees	93.78	85.33	28.35	117.44	203.84	126.08
Price to Earning Ratio	Times	3.26	3.83	6.13	2.07	1.32	2.05
Price to Book Ratio	Percentage	32.08%	38.30%	22.67%	32.98%	42.04%	57.45%
Dividend Yield	Percentage	-	-	-	-	7.41%	4.64%
Dividend Payout Ratio	Percentage	-	-	-	-	9.81%	9.52%
Dividend Cover	Times	-	-	-	-	10.19	10.51
Cash Dividend Per Share	Rupees	-	-	-	-	20.00	12.00
Book value Per Share	Rupees	953.70	853.06	766.99	738.19	642.29	449.88
Market Value Per Share as at June 30th	Rupees	305.99	326.70	173.90	243.45	270.00	258.46
Highest Share Price During the Year	Rupees	569.00	354.78	244.63	279.00	393.00	267.08
Lowest Share Price During the Year	Rupees	234.03	165.89	172.60	180.00	236.00	164.00

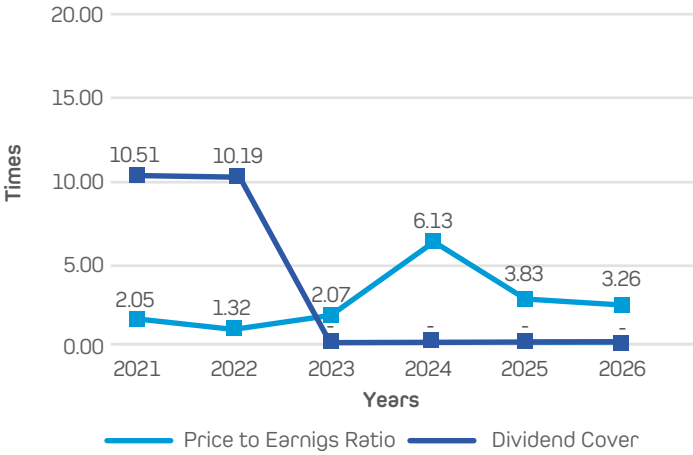
EPS vs DPS



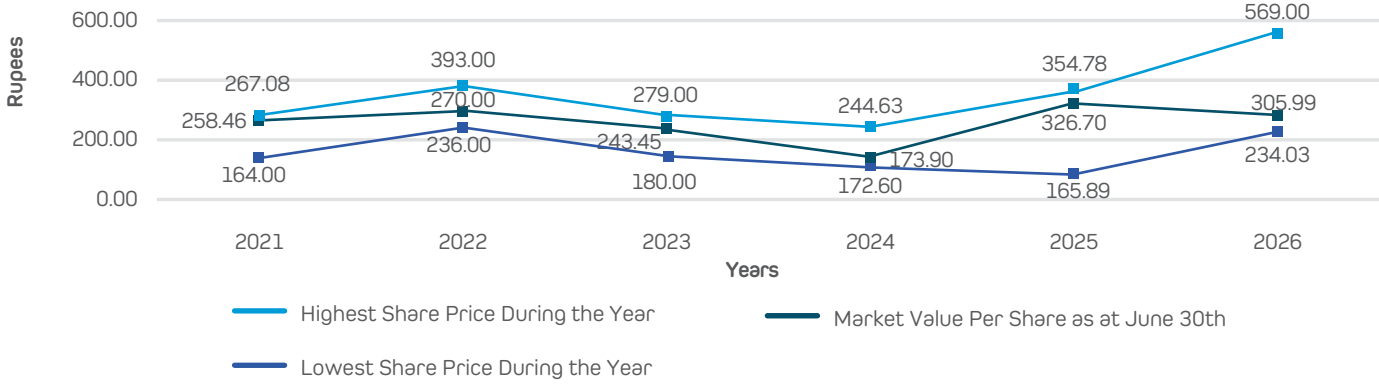
Price / Book Ratio



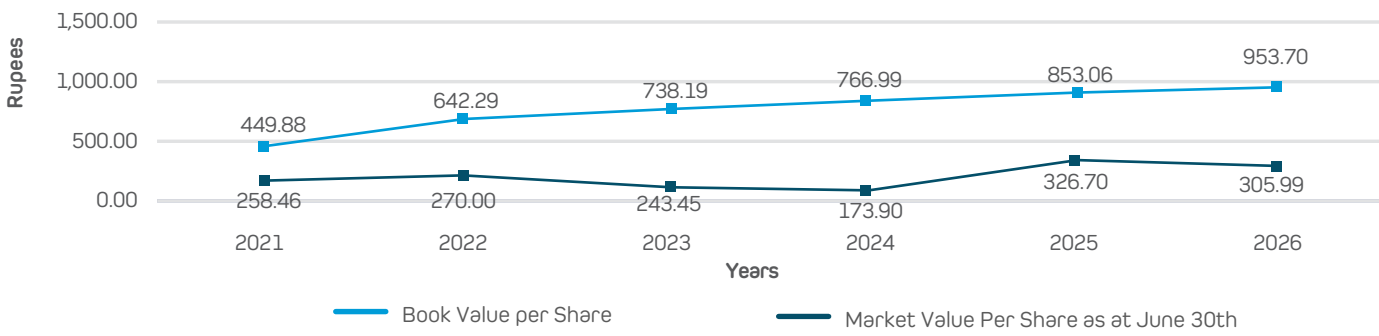
Earnings Ratio



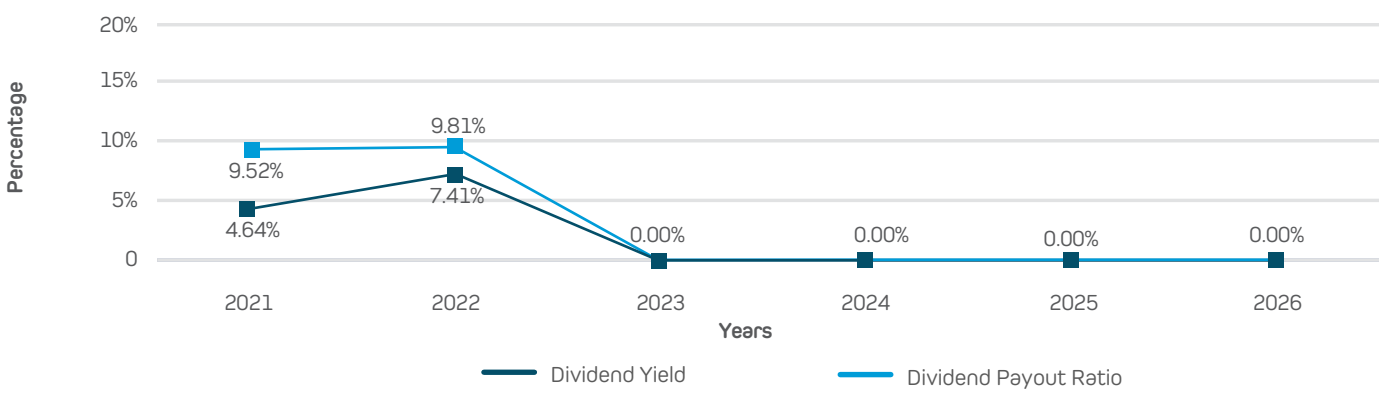
Market Value



Book Value vs Market Value



Dividend Ratio



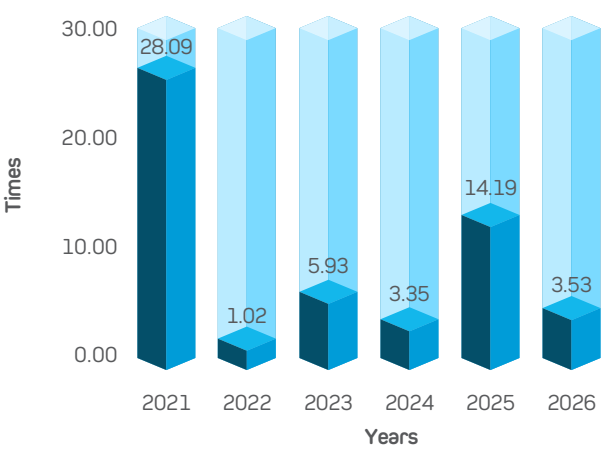
Comments:

The Pakistan Stock Exchange (PSX) maintained its upward momentum during the year, supported by improved investor confidence and a relatively favorable economic environment. In line with the broader market performance, the Company's share price also remained on an upward trajectory during the year and closed at Rs. 305.99 on the last trading day of the year.

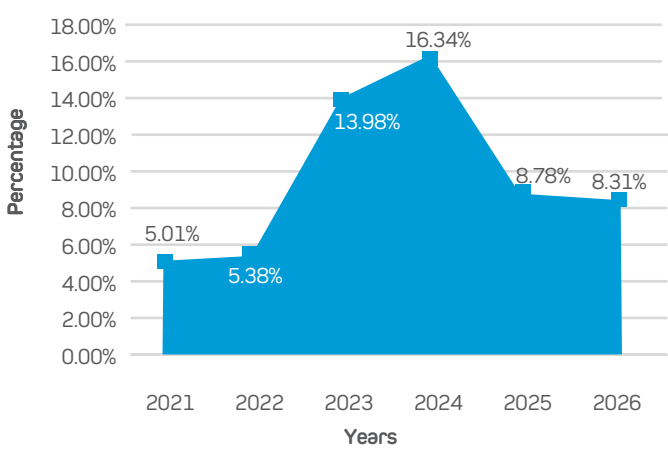
Capital Structure Ratios

	UoM	2026	2025	2024	2023	2022	2021
Degree of Financial Leverage Ratio	Times	3.53	14.19	3.35	5.93	1.02	28.09
Weighted Average Cost of Debt	Percentage	8.31%	8.78%	16.34%	13.98%	5.38%	5.01%
Debt to Equity Ratio (Book Value)	Percentage	19.82%	18.83%	31.39%	49.94%	27.85%	38.38%
Debt to Equity Ratio (Market Value)	Percentage	61.78%	49.17%	138.43%	151.44%	66.26%	66.80%
Interest Coverage Ratio	Times	2.58	2.43	1.35	3.23	13.67	7.38

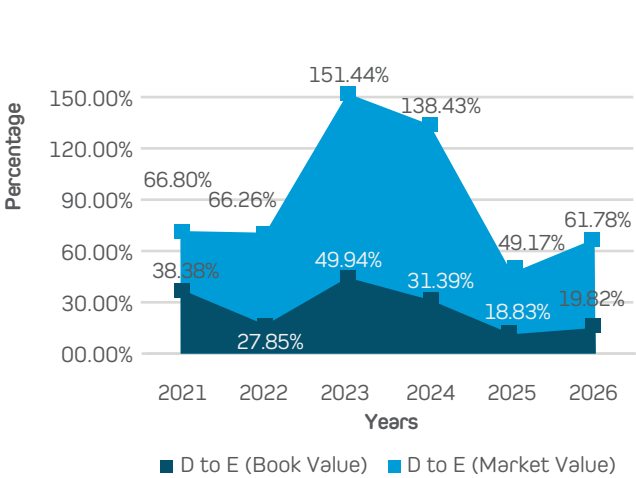
Degree of Financial Leverage Ratio



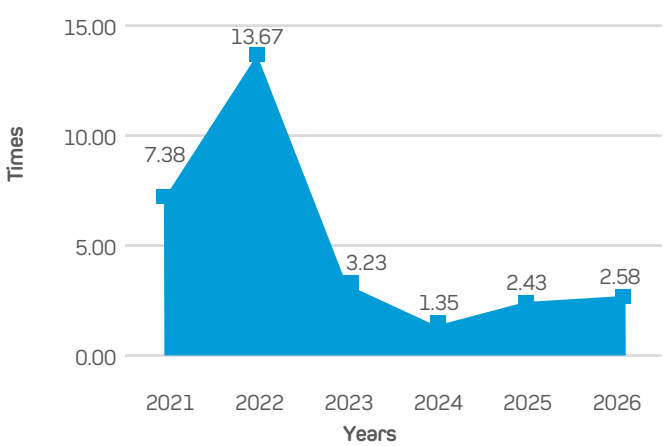
WAC of Debt



Debt to Equity Ratios



Interest Coverage Ratio



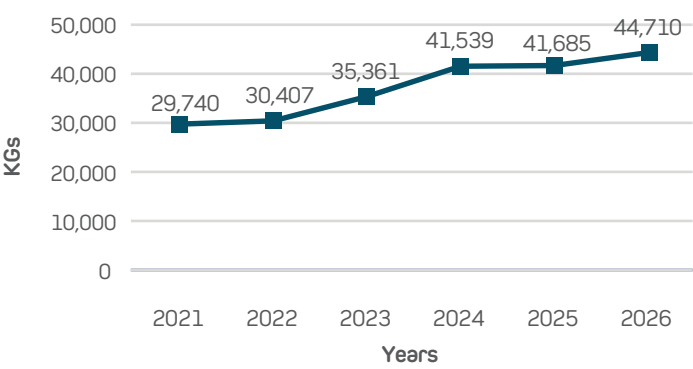
Comments:

The Company has obtained the Long term loan of Rs. 1.5 billion in the current year , which resultantly has slightly increased the Debt to Equity Ratio. Further, the WACC of debt for the year has decreased mainly due to decrease in policy rates during the period as compared to previous ones. The lower WACC resulted in decline in finance cost which causes improvement in profits evidenced by increase in the interest coverage ratio.

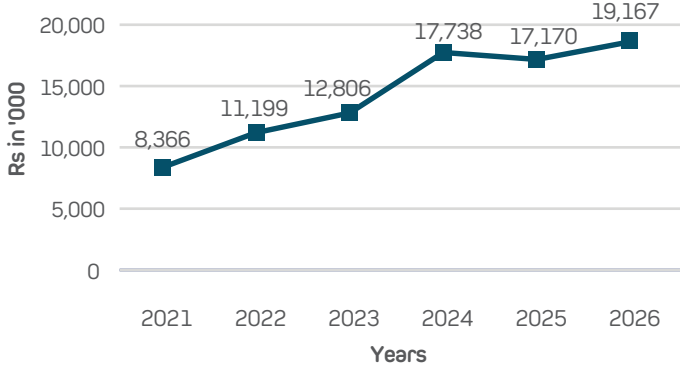
Non- Financial Ratios

	UoM	2026	2025	2024	2023	2022	2021
Production per Employee	Kgs	44,710	41,685	41,539	35,361	30,407	29,740
Revenue per Employee	Rs in '000	19,167	17,170	17,738	12,806	11,199	8,366
Spares Inventory as % of Total Cost	Percentage	1.42%	1.78%	1.28%	1.32%	1.25%	1.45%
Maintenance Cost as % of Operating Expenses	Percentage	0.16%	0.12%	0.13%	0.30%	0.55%	0.23%

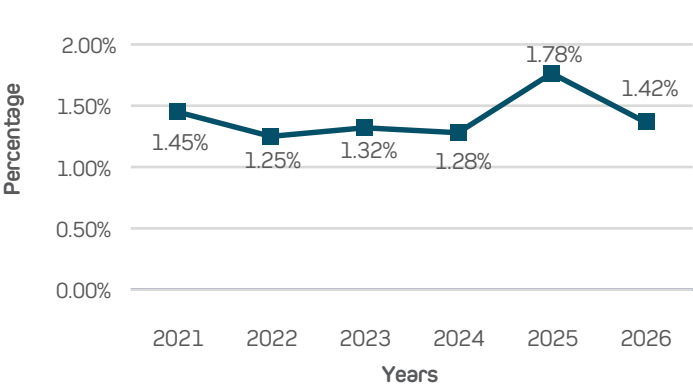
Production per Employee



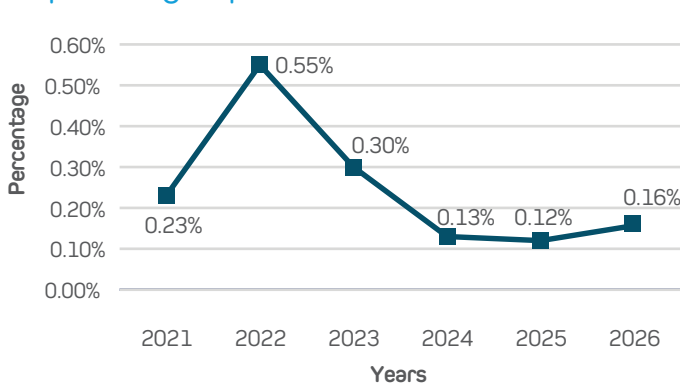
Revenue per Employee



Spares Inventory as % of Total Cost



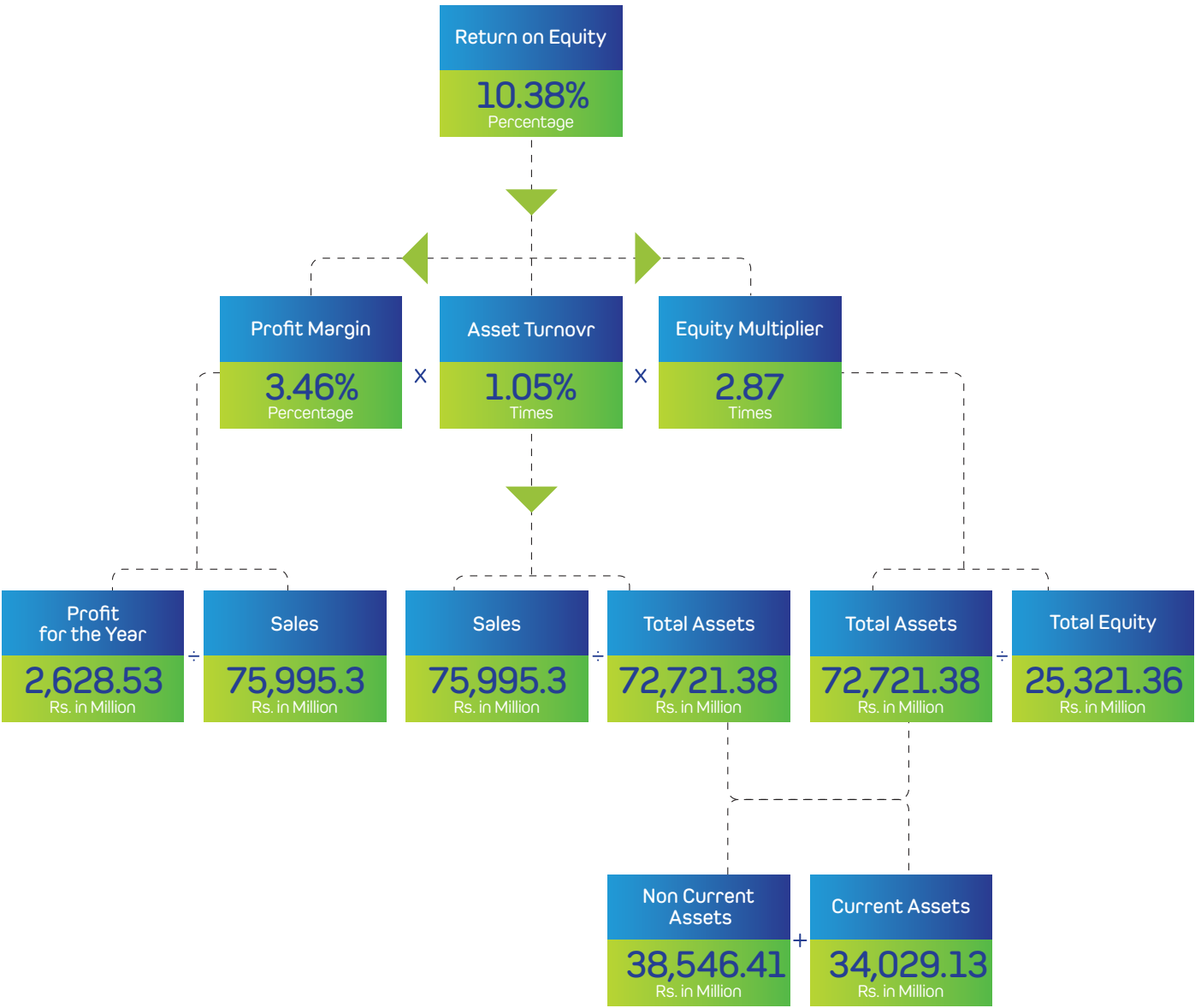
Maintenance Cost as % of Operating Expenses



Comments:

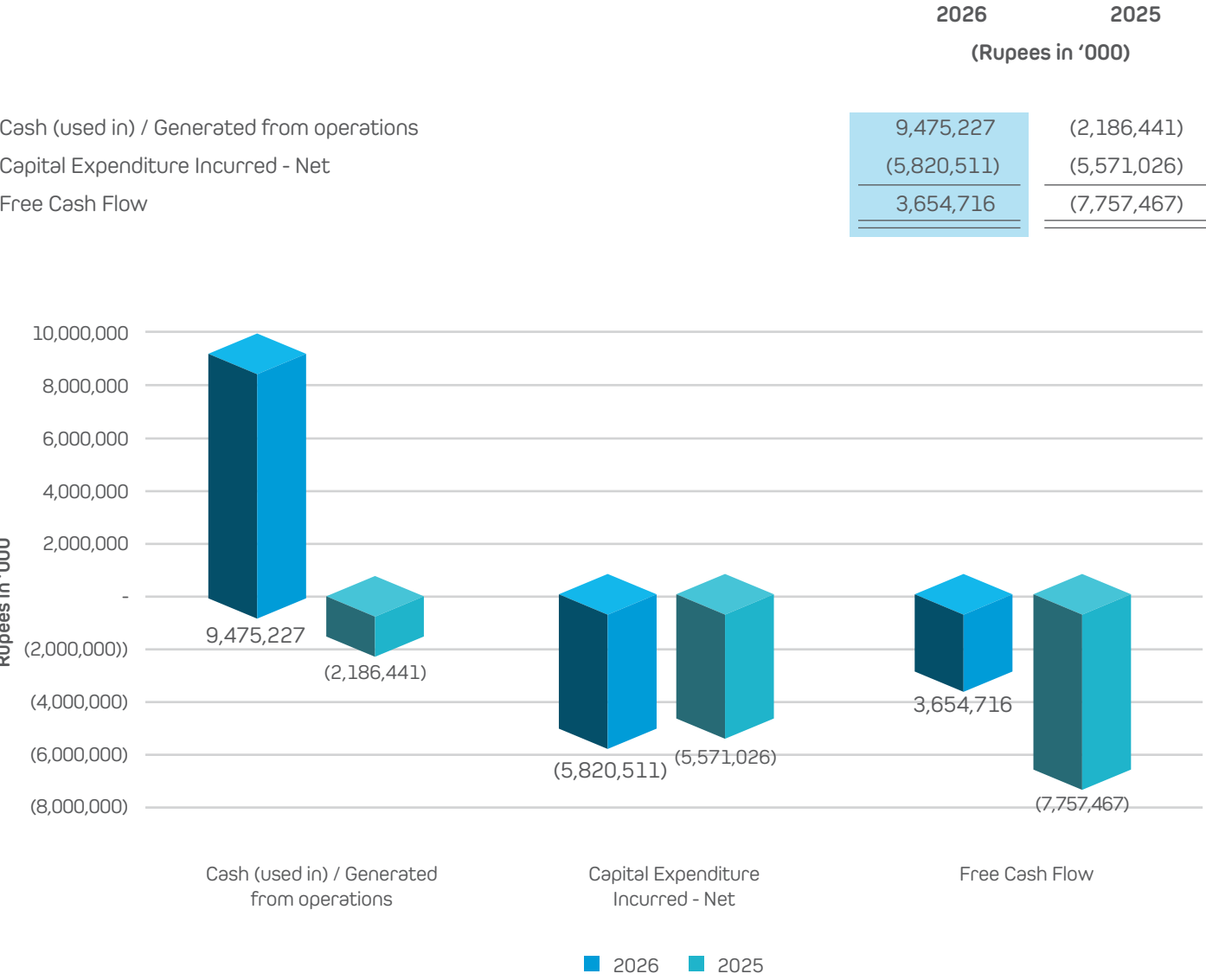
The non-financial ratio has been on an increasing trend mainly on account of technological advancement which has resulted in increase in production per employee of the Company. A robust increase in sales per employees of 205% can also be witnessed in current year from year 2019 which is due global increase in demand of yarn,bedding products and increase in sale price. Lastly, there has been a slight increase in CY maintenance cost mainly due to routine maintenance.

DuPont Analysis



Years	Profit Margin (A)	Asset Turnover (B)	Equity Multiplier (C)	ROE A x B x C
2026	3.46%	1.05	2.87	10.38%
2025	3.37%	1.00	3.13	10.53%
2024	1.09%	1.18	2.93	3.77%
2023	5.68%	0.98	3.07	17.01%
2022	10.42%	1.34	2.67	37.33%
2021	8.62%	1.31	2.88	32.58%

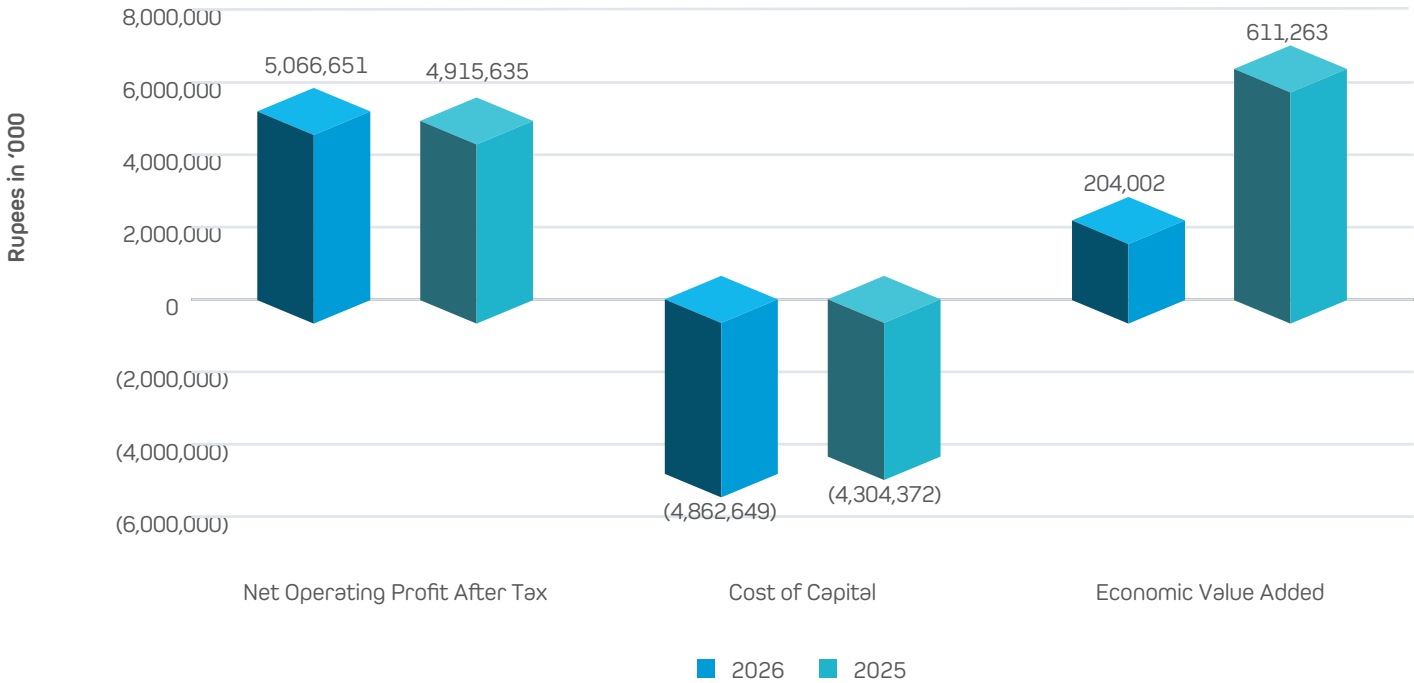
Free Cash Flow



Comment:
Free cash flows turned positive primarily due to lower cash outflows from operations and stronger cash inflows generated. A key contributing factor was the release of cash tied up in inventory, reflected in lower stock levels and reduced inventory holding days.

Economic Value Added

	2026	2025
	(Rupees in '000)	
Net Operating Profit After Tax	5,066,651	4,915,635
Cost of Capital	(4,862,649)	(4,304,372)
Economic Value Added	204,002	611,263
Cost of Capital		
Total Assets	72,721,381	71,118,486
Less: Current Liabilities	(38,575,973)	(42,704,834)
Invested Capital	34,145,407	28,413,652
WACC	14.24%	15.15%
Cost of Capital	4,862,649	4,304,372



Comment:

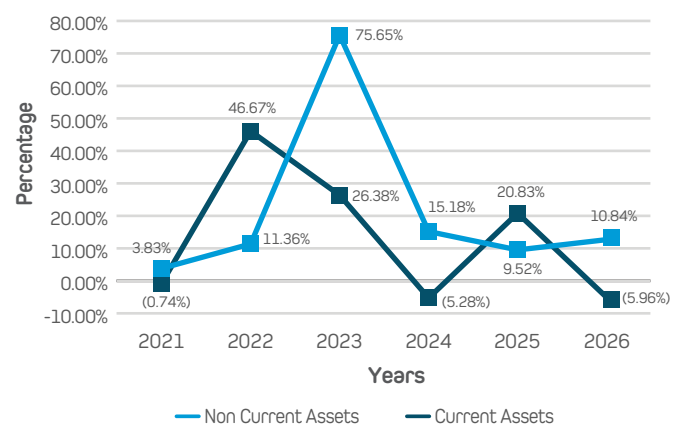
Economic Value Added (EVA) decreased primarily due to higher average borrowings, which increased the capital employed and consequently resulted in a higher capital charge.

Horizontal Analysis

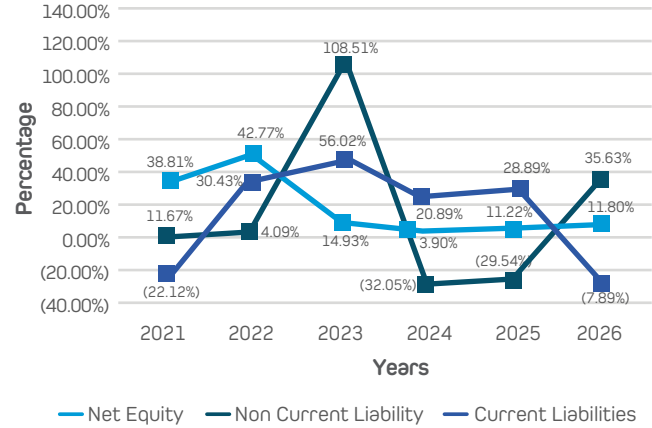
Statement of Financial Position - Horizontal Analysis

	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Assets						
Non Current Assets						
Property, Plant and Equipment	11.91%	12.44%	15.63%	92.82%	7.44%	0.87%
Biological Assets	11.03%	(25.92%)	1.10%	106.07%	75.35%	9.56%
Long Term Loans	505.66%	(81.08%)	(79.57%)	(17.77%)	59.40%	(26.95%)
Long Term Deposits	(0.88%)	12.51%	65.03%	12.65%	3.47%	13.80%
Long Term Investment	6.31%	2.54%	15.64%	29.86%	18.57%	13.33%
	10.84%	9.52%	15.18%	75.65%	11.36%	3.83%
Current Assets						
Stores, Spares and Loose Tools	(5.34%)	49.08%	11.24%	41.16%	38.53%	2.41%
Stock in Trade	(15.34%)	35.94%	(17.62%)	27.35%	68.99%	(15.77%)
Trade Debts	30.70%	(2.11%)	70.34%	(20.77%)	(7.11%)	73.10%
Loans and Advances	(29.56%)	72.30%	(75.82%)	37.54%	128.41%	90.44%
Trade Deposit and Other Short Term Prepayments	(18.81%)	17.33%	807.37%	(61.06%)	(63.47%)	79.22%
Other Recievables	(27.32%)	0.13%	(13.22%)	117.43%	116.28%	12.54%
Current Tax Asset	0%	(100%)	(15.17%)	0%	(100%)	(11.90%)
Sales Tax Refund Bond	-	-	-	-	-	100%
Cash and Bank Balance	505.06%	(94.06%)	428.33%	65.90%	11.65%	66.24%
	(6.36%)	20.83%	(5.28%)	26.38%	46.67%	(0.74%)
Total Assets	2.05%	15.02%	4.22%	45.32%	30.73%	1.27%
Equity & Liabilities						
Issued, Subscribed and Paid up Capital	-	-	-	-	-	-
Capital Reserves	-	-	-	119.96%	-	-
Revenue Reserves	40.34%	52.67%	21.39%	(78.54%)	44.23%	40.68%
Total Equity	11.80%	11.22%	3.90%	14.93%	42.77%	38.81%
Non Current Liabilities						
Long term Financing	22.10%	(38.20%)	(37.58%)	135.29%	2.62%	10.76%
Deferred Grant	(30.83%)	(23.29%)	(22.28%)	(3.32%)	29.46%	0%
Retirement Benefit Obligation	(9.63%)	5.56%	19.47%	22.89%	14.97%	13.49%
Infrastructure Cess	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred Tax Liabilities	46.67%	(21.27%)	(33.22%)	87.14%	(3.17%)	(3.60%)
	35.63%	(29.54%)	(32.05%)	108.51%	4.09%	11.67%
Current Liabilities						
Short Term Borrowings	(16.94%)	36.71%	26.26%	152.74%	21.42%	(59.24%)
Trade and Other Payables	12.68%	19.52%	16.69%	(5.31%)	37.97%	69.83%
Unclaimed Dividend	(0.89%)	(0.33%)	(6.16%)	30.74%	17.43%	(4.76%)
Levies Payable	0.00%	(100.00%)	139.81%	119.51%	-	-
Current Portion of Long Term Financing	4.19%	7.28%	1.94%	(12.58%)	3.79%	979.63%
Current Portion of Deferred Grant	(19.92%)	(31.10%)	(26.87%)	(2.57%)	4.16%	0%
Accrued Mark-up	(13.74%)	(13.12%)	(32.45%)	352.22%	71.85%	(19.64%)
	(8.24%)	28.89%	20.89%	56.02%	30.43%	(22.12%)
Total Liability	(2.89%)	17.04%	4.40%	69.30%	22.58%	(14.40%)
Total Equity and Liability	2.05%	15.02%	4.22%	45.32%	30.73%	1.27%

Horizontal Analysis of Total Assets



Horizontal Analysis of Total Equity & Liabilities



Comments on Statement of Financial Position - Horizontal Analysis

- Fixed asset**
Fixed assets of the Company grew by 126.37% over past six years, with major additions on account expansion of value-added segment, investment in power generation machinery and renewable energy equipments.
- Long Term Investments.**
Long Term Investments have increased over the years on account of an increasing Share of Profits from associates.
- Stores, Spare parts & loose tools, Stock in trade and Trade debts**
Stores, spare & loose tools have increased on account of growing operation and rupee devaluation. Whereas stock in trade has increased significantly owing to increased inventory levels. Management on the contrary has ensured timely and effective recovery from its debtors to better manage its working capital.
- Other Receivables**
Other receivables mainly include sales tax, claim and rebate receivable. Sales tax refunds have shown both increasing / decreasing trends over the years, and its recovery depends on multiple factors including but not limited to funds available at the Government treasury, pending verification of sales tax claim by the sales tax department on the basis of the sales tax audit.
- Share capital and reserves**
Reserves of the Company have been growing over the years (except for FY'2020 on account of Covid-19). An increase of 11.8% has been witnessed in the current year owing to profits.

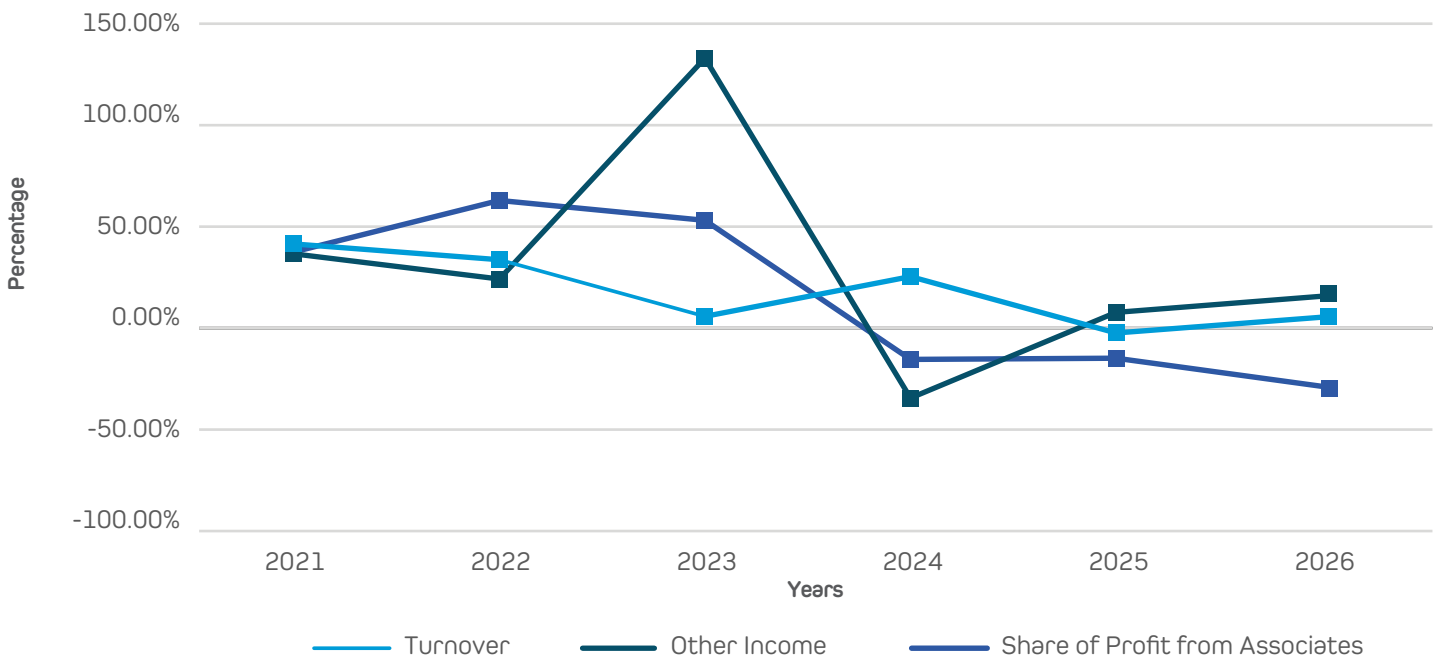
Long-term Financing
The increase in long-term financing during the year is mainly attributable to additional financing of Rs. 1.5 billion obtained during the year, partially offset by repayment of term loan amounting to Rs. 600 million. Overall, this resulted in a net increase of Rs. 900 million in long-term financing.

Current liabilities
The decrease in current liabilities during the year is mainly attributable to a reduction in short-term borrowings, as the Company has consciously reduced its reliance on short-term financing to avoid unnecessary finance costs.

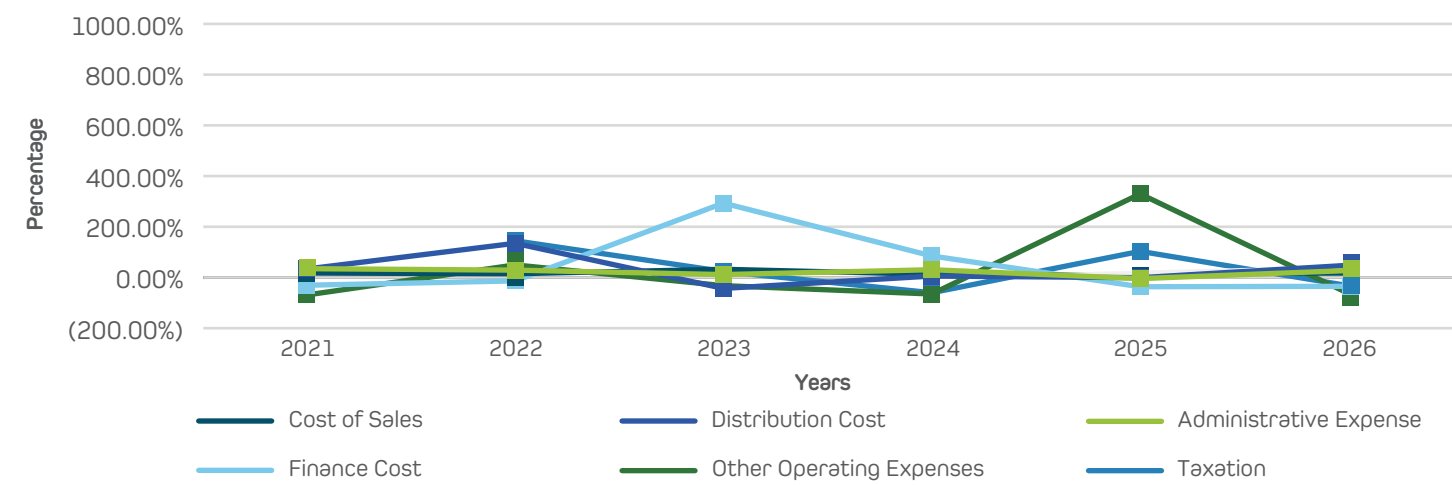
Profit or Loss - Horizontal Analysis

	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Turnover	7.07%	(2.40%)	25.39%	5.78%	33.70%	41.48%
Cost of Sales	8.34%	(4.51%)	30.63%	11.49%	29.01%	34.73%
Gross Profit	(5.90%)	26.08%	(18.65%)	(26.05%)	67.63%	122.00%
Distribution Cost	17.67%	(0.75%)	5.71%	(43.10%)	134.82%	33.49%
Administrative Expense	23.51%	8.67%	12.63%	32.28%	14.83%	17.52%
Operating Profit	(13.75%)	35.39%	(26.00%)	(25.39%)	61.20%	168.67%
Finance Cost	(3.39%)	(36.50%)	84.97%	293.36%	(13.44%)	(30.58%)
Other Operating Expenses	(44.80%)	329.52%	(65.16%)	(32.23%)	49.54%	(68.96%)
Other Income	15.01%	7.75%	(34.45%)	133.02%	24.20%	36.59%
Remesurement gain on Infrastructure Cess	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Share of Profit from Associates	(29.50%)	(14.83%)	(15.42%)	53.10%	62.91%	37.55%
Profit Before Taxation	7.16%	159.14%	(70.96%)	(30.87%)	71.83%	1092.15%
Taxation	1.73%	103.13%	(60.12%)	23.74%	144.82%	68.37%
Profit for the year	9.89%	201.04%	(75.86%)	(42.39%)	61.67%	7667.43%

Horizontal Analysis of Income



Horizontal Analysis of Expense



Horizontal Analysis of Profit



Comments on Profit or Loss- Horizontal Analysis

Turnover
Revenue has shown consistent growth over the years, driven by aggressive marketing strategies, product diversification, expansion into new markets, and entry into the value-added segment, supported by favorable price movements. In the current year, net revenue rebounded strongly, growing by 7.07% to Rs. 75,996 million compared to Rs. 70,980 million in FY 2025, reflecting renewed market demand and improved volume off-take.

Gross profit
Gross profit has demonstrated an upward trend over recent years. In the current year, gross profit margins faced slight compression due to raw material cost fluctuations and rising operational overheads—contributing to a 12.41% drop in operating profit (Rs. 5,363 million vs. Rs. 6,123 million in FY 2025). However, continuous operational efficiencies, raw material optimization, and enhanced capacity utilization helped cushion gross earnings and maintain sustainable bottom-line growth.

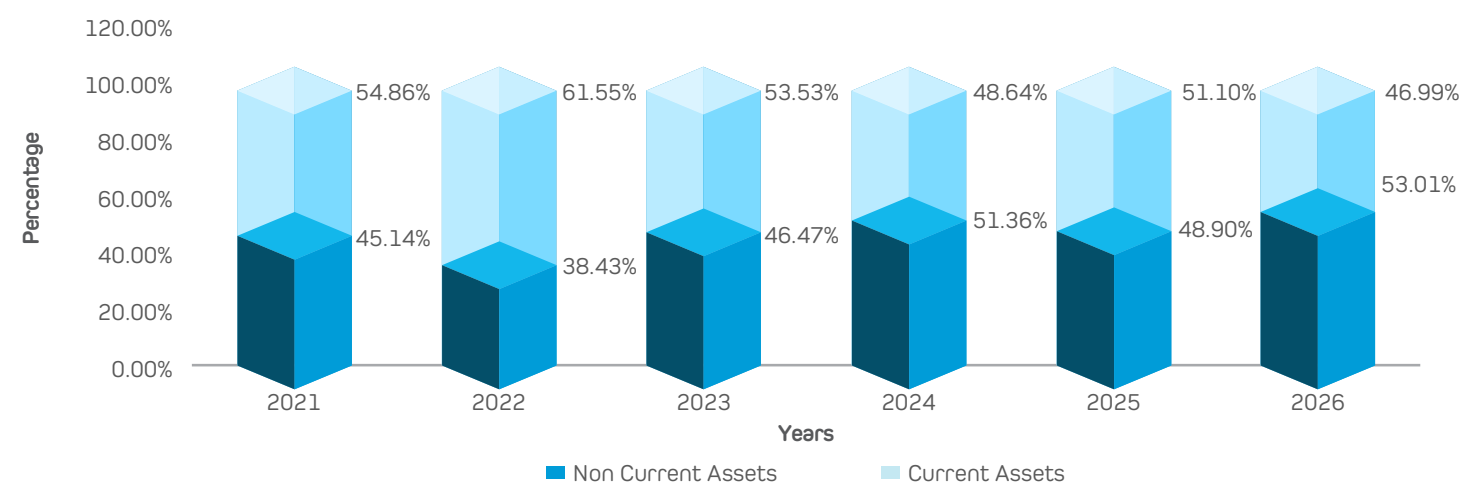
Finance Cost
In prior years, finance costs remained elevated due to high policy rates, increased working capital requirements from inflationary pressures and rupee devaluation, and major CAPEX financing for capacity expansions. In the current year, finance costs declined slightly, driven by reductions in policy rates. The reduction of finance cost due to policy rates is offset by higher working capital requirement.

Vertical Analysis

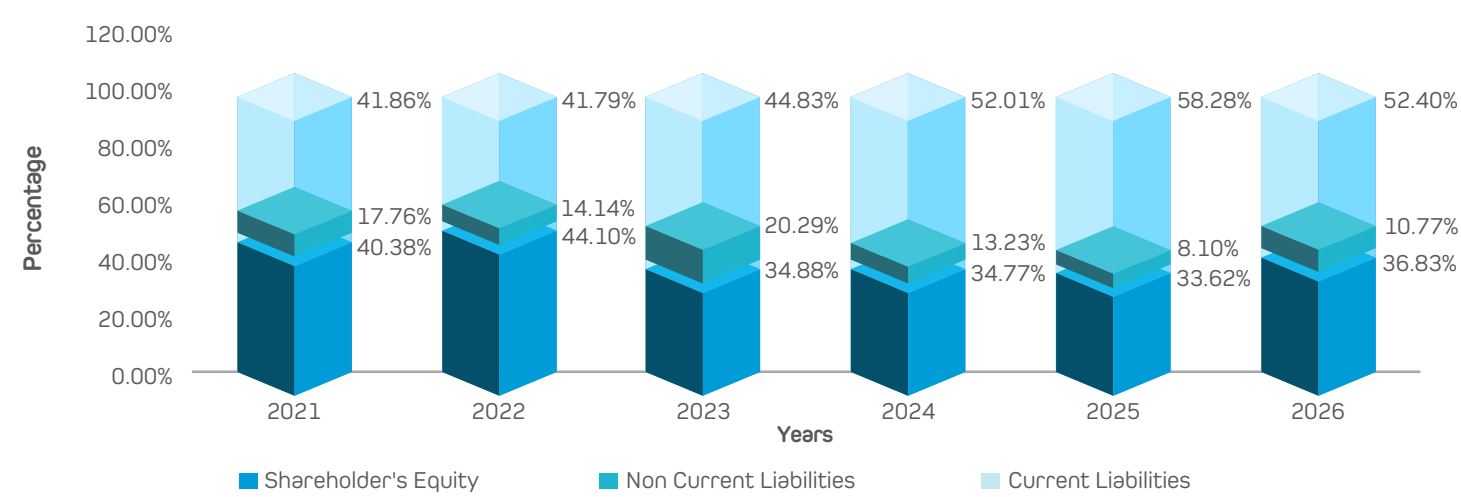
Statement Of Financial Position – Vertical Analysis

	2026	2025	2024	2023	2022	2021
Assets						
Non Current Assets						
Property, Plant and Equipment	42.59%	38.84%	39.73%	35.81%	26.99%	32.84%
Biological assets	0.86%	0.79%	1.23%	1.27%	0.90%	0.67%
Long Term Loans	0.01%	0.00%	0.01%	0.06%	0.11%	0.09%
Long Term Deposits	0.10%	0.10%	0.10%	0.07%	0.09%	0.11%
Long Term Investment	9.55%	9.17%	10.28%	9.27%	10.37%	11.43%
	53.11%	48.90%	51.36%	46.47%	38.45%	45.14%
Current Assets						
Stores, Spares and Loose Tools	2.74%	2.95%	2.28%	2.14%	2.20%	2.07%
Stock in Trade	30.58%	36.86%	31.19%	39.46%	45.03%	34.83%
Trade Debts	8.93%	6.97%	8.19%	5.01%	9.19%	12.93%
Loans and Advances	0.30%	0.43%	0.29%	1.24%	1.31%	0.75%
Trade Deposit and Other Short Term Prepayments	0.07%	0.09%	0.09%	0.01%	0.04%	0.13%
Other Recievables	2.62%	3.68%	4.23%	5.08%	3.40%	2.05%
Current Tax Asset	0.96%	0.00%	0.12%	0.15%	0.00%	1.63%
Sales tax refund bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash and Bank Balance	0.69%	0.12%	2.27%	0.45%	0.39%	0.46%
	46.89%	51.10%	48.64%	53.53%	61.55%	54.86%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity & Liabilities						
Issued, subscribed and paid up Capital	0.39%	0.39%	0.45%	0.47%	0.69%	0.90%
Capital Reserves	22.92%	23.39%	26.91%	28.04%	0.34%	0.44%
Revenue Reserves	13.52%	9.83%	7.41%	6.36%	43.08%	39.04%
Total Equity	36.83%	33.62%	34.77%	34.88%	44.10%	40.38%
Non Current Liabilities						
Long term Financing	6.12%	5.12%	9.52%	15.90%	9.82%	12.51%
Deferred Grant	0.10%	0.15%	0.23%	0.30%	0.46%	0.46%
Retirement Benefit Obligation	1.58%	1.79%	1.95%	1.70%	2.01%	2.29%
Infrastructure Cess	1.46%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred Tax Liabilities	1.50%	1.05%	1.53%	2.39%	1.85%	2.50%
	10.77%	8.10%	13.23%	20.29%	14.14%	17.76%
Current Liabilities						
Short term Borrowings	30.54%	37.53%	31.57%	26.06%	14.99%	16.14%
Trade and other Payables	20.09%	18.19%	17.51%	15.64%	24.00%	22.74%
Unclaimed Dividend	0.04%	0.05%	0.05%	0.06%	0.06%	0.07%
Levies payable	0.00%	0.00%	0.70%	0.30%	0.25%	0.00%
Current Tax Liability	0.00%	0.69%	0.00%	0.00%	0.00%	0.00%
Current portion of long term financing	1.05%	1.03%	1.10%	1.12%	1.87%	2.35%
Current portion of deferred grant	0.03%	0.04%	0.06%	0.09%	0.14%	0.17%
Accrued mark-up	0.64%	0.76%	1.01%	1.55%	0.50%	0.38%
	52.40%	58.28%	52.01%	44.83%	41.80%	41.86%
Total Liability	63.17%	66.38%	65.23%	65.12%	55.94%	59.62%
Total Equity and Liability	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Vertical Analysis of Total Assets



Vertical Analysis of Total Equity and Liabilities



Comments on Statement Of Financial Position - Vertical Analysis

Property, Plant and Equipment

Ratio of property, plant and equipment to total assets has increased slightly due to major capital expenditure incurred on renewable energy and updation of plant and machinery.

Stock-in-Trade

The stock-in-trade to total assets ratio has decreased compared to the previous years, mainly due to a reduction in inventory levels as the Company has adopted more efficient inventory management practices to avoid unnecessary holding costs.

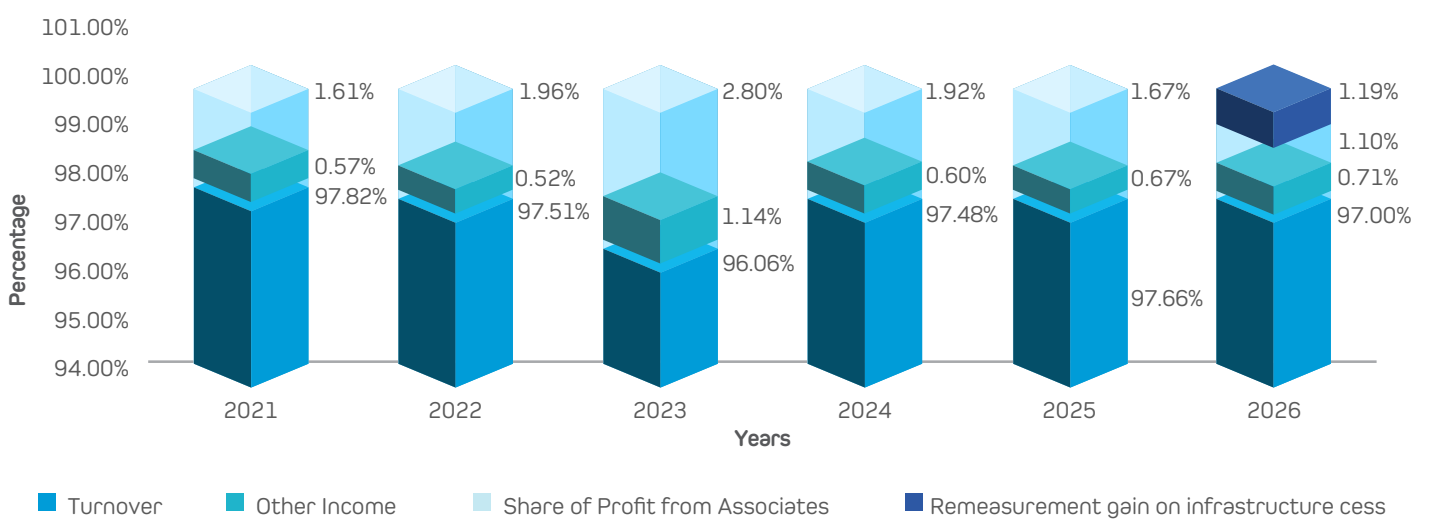
Equity / Long term finance

The Equity has increased slightly due to profitability, Non-current liabilities increased on account of obtaining new long term loans and reduction in short term borrowings is due to better working capital management.

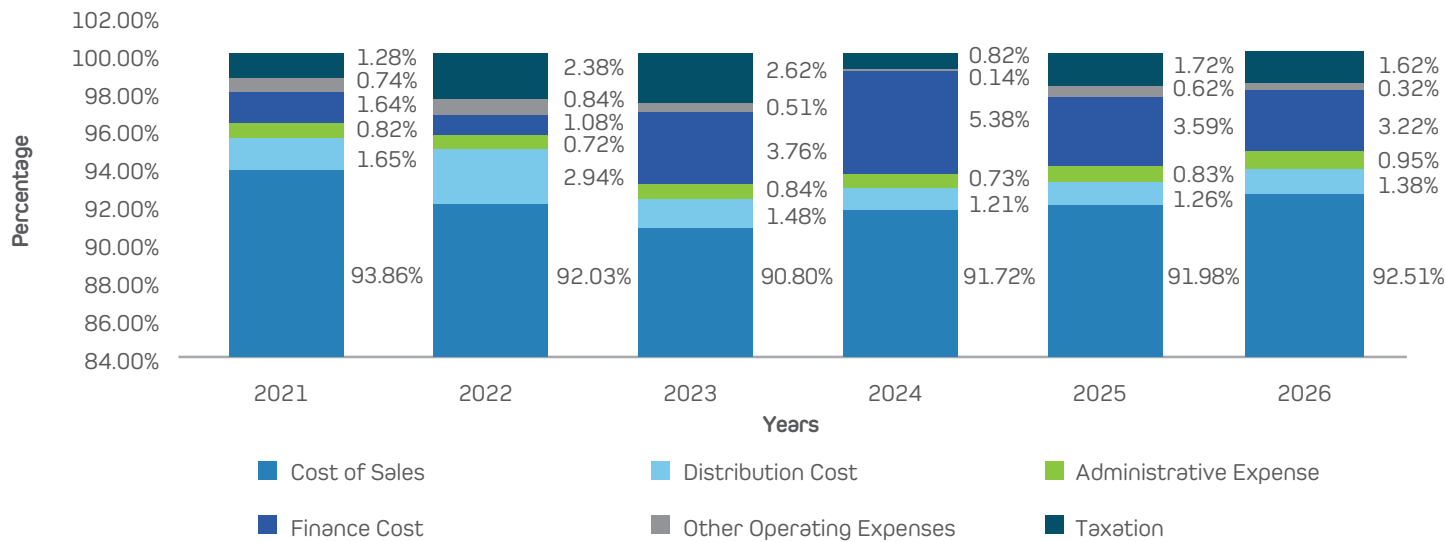
Profit or Loss - Vertical Analysis

	2026	2025	2024	2023	2022	2021
Turnover	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales	(92.17%)	(91.09%)	(93.10%)	(89.37%)	(84.79%)	(87.87%)
Gross Profit	7.83%	8.91%	6.90%	10.63%	15.21%	12.13%
Distribution Cost	(1.37%)	(1.25%)	(1.23%)	(1.46%)	(2.71%)	(1.54%)
Administrative Expense	(0.95%)	(0.82%)	(0.74%)	(0.82%)	(0.66%)	(0.77%)
Operating Profit	5.51%	6.84%	4.93%	8.35%	11.84%	9.82%
Finance Cost	(3.21%)	(3.56%)	(5.46%)	(3.70%)	(1.00%)	(1.54%)
Other Operating Expenses	(0.31%)	(0.61%)	(0.14%)	(0.50%)	(0.78%)	(0.70%)
Other Income	0.73%	0.68%	0.62%	1.18%	0.54%	0.58%
Remesurement gain on Infrastructure Cess	1.23%	0.00%	0.00%	0.00%	0.00%	0.00%
Share of Profit from Associates	1.13%	1.71%	1.97%	2.91%	2.01%	1.65%
Profit Before Taxation	5.07%	5.07%	1.91%	8.25%	12.62%	9.82%
Taxation	(1.62%)	(1.70%)	(0.82%)	(2.57%)	(2.20%)	(1.20%)
Profit for the year	3.46%	3.37%	1.09%	5.68%	10.42%	8.62%

Vertical Analysis of Total Income



Vertical Analysis of Total Expense



Comments on Profit or Loss - Vertical Analysis

Gross profit
Gross profit of the company has decreased as compared to last years in term of ratio mainly on account of increasing power cost as government imposes high tariffs which effects profitability.

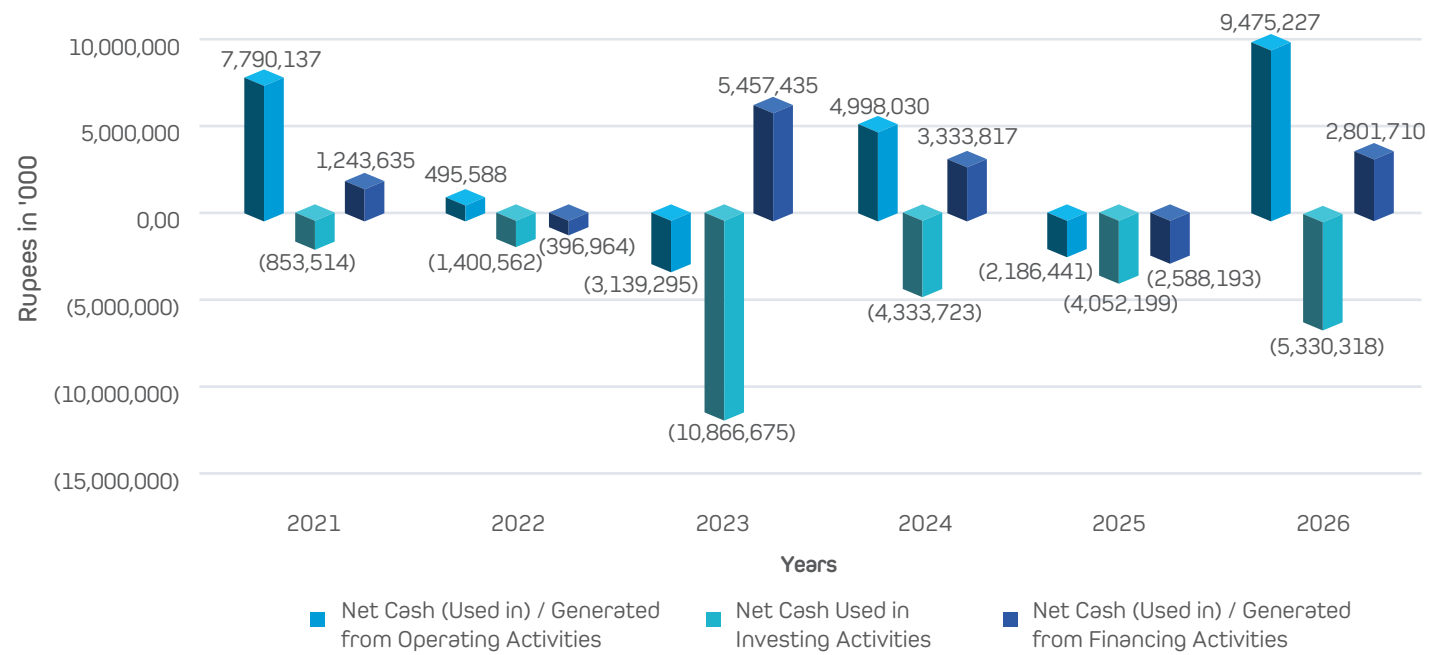
Distribution Cost
The distribution cost to total sales has increased slightly on account of increase in C&F sales, increase in freight costs as compared to SPLY.

Finance Cost
The finance cost to sales ratio has decreased on account of the factors as mentioned in Horizontal Analysis section.

Share of Profit
The percentage of Share of Profit decreased slightly due to reduction in profits of associates companies.

Summary of Cash Flow

	2026	2025	2024	2023	2022	2021
	(Rupees in '000)					
Cash generated from / (used in) operations	14,498,028	2,037,143	10,315,003	(708,123)	1,504,211	9,035,000
Finance cost paid	(2,512,419)	(2,605,413)	(4,273,234)	(1,430,873)	(461,023)	(660,046)
Income tax paid	(2,179,156)	(1,291,863)	(803,029)	(822,553)	(640,856)	(451,067)
Rebate received	-	-	-	-	242,664	10,263
Gratuity paid	(331,226)	(326,308)	(240,710)	(177,746)	(149,408)	(144,013)
	(5,022,801)	(4,223,584)	(5,316,973)	(2,431,172)	(1,008,623)	(1,244,863)
Net cash generated from / (used in) Operating Activities	9,475,227	(2,186,441)	4,998,030	(3,139,295)	495,588	7,790,137
Net cash used in investing activities	(5,330,318)	(4,052,198)	(4,333,723)	(10,866,675)	(1,400,562)	(853,514)
Net cash generated from / (used in) financing activities	2,801,710	(2,588,193)	3,333,817	5,457,435	(396,964)	1,243,635
Net (decrease) / increase in cash & cash equivalents	6,946,619	(8,826,832)	3,998,124	(8,548,535)	(1,301,938)	8,180,258
Cash & cash equivalents at the beginning of the year	(17,992,502)	(9,165,670)	(13,163,794)	(4,615,259)	(3,313,321)	(11,493,579)
Cash & cash equivalent at the end of the year	(11,045,883)	(17,992,502)	(9,165,670)	(13,163,794)	(4,615,259)	(3,313,321)



Comments:

Cash flow from operating activities

The Company's net cash generated during the year was Rs. 9.47 billion, after payments of Rs. 5.02 billion towards finance costs, gratuity, and income taxes. The positive cash flow from operations was primarily attributable to better working capital management.

Cash usage in investing activities

The Company's net cash used in investing activities primarily represents expenditures on installation of renewable energy plant and insatallation of machinery for modernization and upgradation of operations.

Cash generation from / (used in) financing activities

The Company's net cash flow from financing activities turned positive during the period, primarily driven by proceeds from long-term financing and net export and import loan facilities, partially offset by repayments of existing financing facilities.

Statement of Cash Flows – Direct Method

	2026	2025
	(Rupees in '000)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customer	74,434,797	71,264,336
Cash paid to suppliers, employees and others	(59,936,769)	(69,227,193)
Finance cost paid	(2,512,419)	(2,605,413)
Income tax paid	(2,179,156)	(1,291,863)
Gratuity paid	(331,226)	(326,308)
Net cash (used in) / generated from operating activities	9,475,227	(2,186,441)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,016,197)	(5,720,620)
Sale proceeds from disposal of property, plant and equipment	195,686	149,594
Sale proceeds from disposal of biological assets	59,407	183,060
Loans repaid by employees	(41,439)	16,188
Long-term deposits received	-	4,722
Long-term deposits given	636	(8,082)
Short term investment made	-	(19,000,000)
Dividend received	442,128	1,057,241
Profit received from bank deposits	29,461	69,625
Sale proceeds from disposal of short term investment	-	19,196,073
Net cash used in investing activities	(5,330,318)	(4,052,199)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance obtained	1,535,391	-
Term loan obtained	-	-
Repayment of long-term finance	(551,249)	(297,920)
Repayment of term loan	-	(1,800,000)
Export Loan - net	867,490	-
Export refinance - net	268,152	1,385,937
Repayment of temporary economic refinance facility	(133,229)	(146,883)
Renewable energy financing obtained	(55,123)	-
Import Loan - net	870,564	(1,729,220)
Dividend paid	(286)	(107)
Net cash generated from / (used in) financing activities	2,801,710	(2,588,193)
Net decrease cash and cash equivalents (A+B+C)	6,946,618	(8,826,833)
Cash and cash equivalents at the beginning of the year	(17,992,502)	(9,165,670)
Cash and cash equivalents at the end of the year	(11,045,883)	(17,992,502)

Segmental View of Business Performance

Based on internal management reporting structure and products produced and sold, the Company is organized into the following three operating segments:

- Spinning segment: manufacturing and sale of yarn
- Manufacturing and sale of knitted bedding products
- Unallocated segments includes dyeing services, production and sale of milk

The detail regarding segment wise performance is appearing in the financial statement of the Company.

Share Price Sensitivity Analysis

The share price of the Company depends on the Company’s overall performance and reputation in the respective industry in which it exists, combined with other external factors on which management has lesser or no control. The Company’s share price is sensitive to the following uncontrollable external factors:

Stock Market

Company’s share price depends on overall market performance, investor confidence in the economy and particular sector and the overall fundamentals of the Company. Positive sentiments, news flows prevailing in the market may result in an appreciation of the share price of the Company.

Government Policies

Company is exposed to Government regulations, taxes schemes, policies, incentives schemes which directly affects the Company’s financial performance which in turn may affect the share price.

Political Instability

The stable political situation in the Country improves the overall business performance, investor confidence and also encourages foreigners to deal with some of the prestigious companies in the Country, which may have an impact on Company’s share price.

Exchange Rate

Company generated 19.9% of its revenue from exports and imported 75.71% of its raw material, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the Company’s profitability and hence, affect the share price. The Company has also adopted effective strategies to minimize the risk of exchange rates.

Interest Rate

The Company’s finance cost is 3.21% of the turnover. Any interest rate movement will affect the Company’s profitability and hence, affect the share price

Availability of Raw Material

The Company’s performance is largely dependent upon the availability of raw material, which is highly sensitive to seasonal fluctuations. Thus, any negative or positive change in the raw material prices will dampen the Company’s performance and influence the share price.

Share Price Analysis



Composition of Local versus Imported Material / Sensitivity Analysis

As a yarn manufacturer, raw cotton is the main raw material. The composition of the raw material procured during the fiscal year is stated as follows:

Raw Material Purchases	Imported		Local		Total	
For the Year	KG (in '000)	Amount (in '000)	KG (in '000)	Amount (in '000)	KG (in '000)	Amount (in '000)
2025	76,542	34,649,829	22,685	9,338,104	99,227	43,987,933
2026	66,759	27,516,687	21,415	8,267,197	88,174	35,783,884

If the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars, Euros and Swiss Franc with all variables held constant, the raw material cost for the year would have been lower / higher by Rs. 2.75 billion (2025: Rs. 3.46 billion). This analysis assumes that all other variables, in particular interest rates, remain constant.

Disclosure of Market Share of the Company

The Company is among the largest spinning mills in Pakistan, boasting over 360,000 spindles. Its primary focus is the manufacturing and sale of yarn, but it also produces and sells knitted bedding products, offers dyeing services, and is involved in milk production and sales. While there are many competitors in the spinning industry, only a few can match the Company's scale. Due to the lack of industry data for precise market share measurement, the number of installed spindles is the key indicator. Based on this, it is clear that the Company holds one of the largest market shares in yarn sales within the Country.

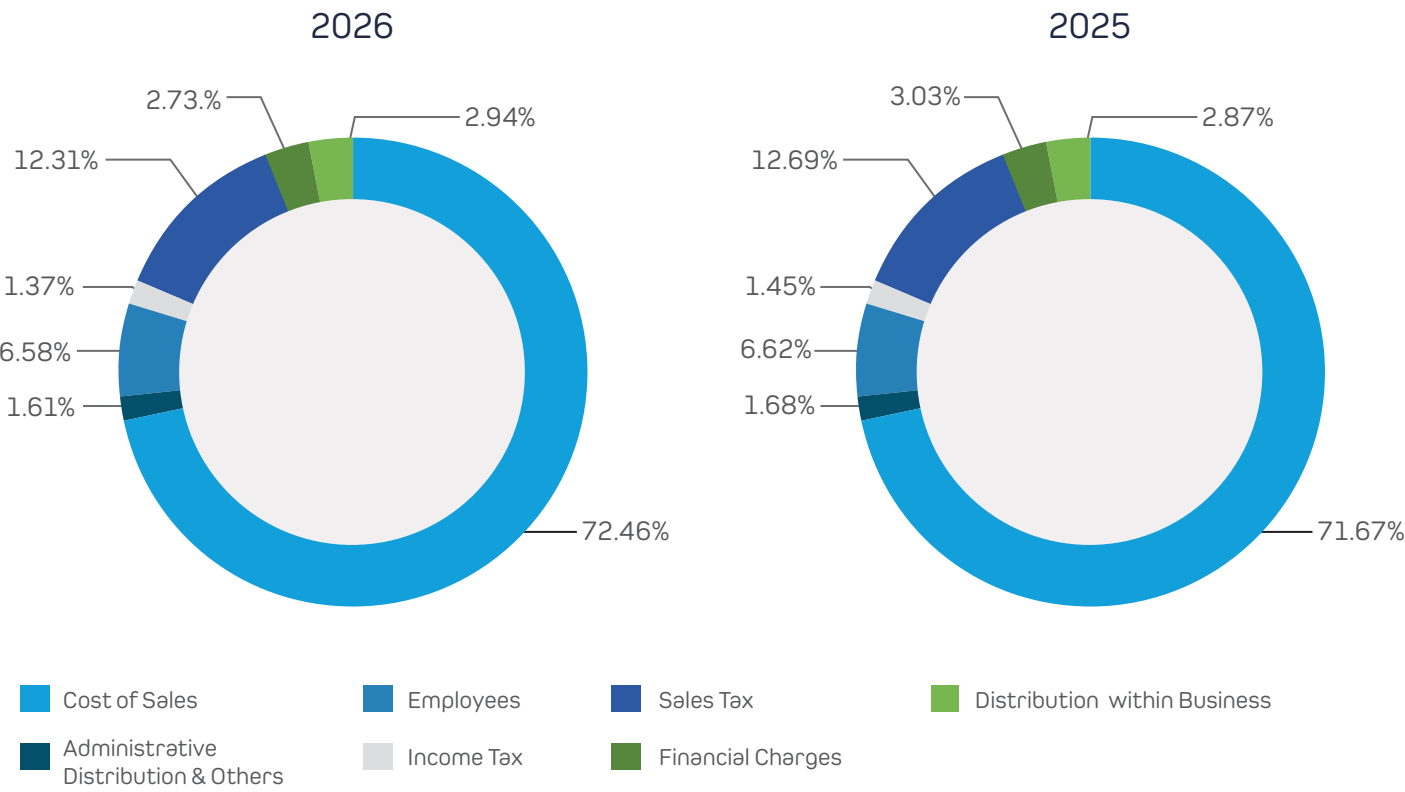
CEO Presentation Video on the Company's Business

Video presentation by CEO briefing about the business overview, performance, strategy and outlook has been uploaded on the media section of the Company's website and can be viewed at (<https://gadoontextile.com/ceo-video-message/>)

Statement of Value Added & its Distribution

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Sales including Sales Tax	86,990,843	97.37%	81,540,019	97.96%
Other Operating Income	2,347,859	2.63%	1,702,133	2.04%
	89,338,702	100.00%	83,242,152	100.00%
Wealth Distribution				
Cost of Sales	64,732,614	72.46%	59,659,411	71.67%
Administrative, Distribution and Others	1,438,835	1.61%	1,390,306	1.67%
Employees	5,877,463	6.58%	5,509,460	6.62%
Income Tax	1,228,223	1.37%	1,207,307	1.45%
Sales Tax	10,994,916	12.31%	10,560,033	12.69%
Financial Charges	2,438,123	2.73%	2,523,731	3.03%
Dividend to shareholders	-	0.00%	-	0.00%
Distribution within Business	2,628,528	2.94%	2,391,904	2.87%
	89,338,702	100.00%	83,242,152	100.00%

Wealth Distribution



threads of innovation

- 192 Board Oversight Statement on IT Systems and AI Strategy
- 192 Responsibility for the Implications of Cyber Risks
- 192 IT Governance Policy and Cybersecurity Procedures
- 193 Committee and Risk Administration
- 193 Company's Strategy on "Early Warning System"
- 193 Independent Audit Policy
- 194 Disaster Recovery Plan and Cyber Insurance
- 194 Driving Digital Transformation
- 195 Artificial Intelligence and Smart Digital Services
- 195 Progressive Digital Initiatives
- 195 Looking Ahead
- 195 Education and Trainings on Cybersecurity Risks



Board Oversight Statement on IT Systems and AI Strategy

The Board of Directors acknowledges its ultimate responsibility for supervising the Company's IT systems, internal controls, and evolving AI initiatives to drive operational efficiency and maintain a competitive edge in the business environment.

The Board provides strategic oversight of the cybersecurity framework and data privacy measures, ensuring full alignment with relevant data protection regulations and industry norms. A structured IT governance framework is in place, incorporating strong risk management practices, regular vulnerability assessments, and continuous monitoring across all operational and supply chain environments.

Cybersecurity and IT-related risks are overseen through the IT Steering Committee (ITSC), which regularly engages with senior management to review system performance, risk indicators, and compliance matters. In the event of a security breach, data loss, or control failure, management reports the incident to the ITSC within 24 hours. For any significant incident, the ITSC coordinates with the Board to seek timely guidance, assess the situation, and ensure that appropriate response actions and corrective measures are implemented.

Investment decisions related to IT, including the adoption of AI solutions for predictive maintenance, quality enhancement, and supply chain efficiency, are reviewed and approved by the Board, ensuring that such technologies are deployed with appropriate ethical safeguards and risk controls. Periodic IT reviews and independent evaluations, conducted as needed, enable the Board, through the ITSC, to ensure that the Company's technology environment remains secure, compliant, and aligned with its overall strategic objectives.

Responsibility for the Implications of Cyber Risks

IT Governance is an integral part of the Company, and it helps to engage the Board members, executive management, and underlying staff.

Although there is no legal or regulatory requirement applicable that enforces Board responsibilities in case of any cyber risks, the Board members are proactively involved in directing and controlling the actions and affairs of management for effective monitoring.

The Director of IT is responsible for overseeing cybersecurity risks and assessments and puts forward findings and recommendations to the IT Steering Committee. He is also responsible for ensuring the training of IT and other staff members to mitigate any potential cyber risks.

The IT team is responsible for developing and effectively monitoring the security framework and ensuring that the procedures are implemented to store, safeguard, retrieve, and share information exposed to cyber risks.

Based on the recommendations, the IT Steering Committee assesses the financial, reputational, and compliance risks and recommends its suggestions to the Board.

The Company also engages an expert consultant as an independent IT auditor for formal IT Audit, Risk Assessment, and Penetration Testing to set out the high-level principles of IT governance across the organization.

IT Governance Policy and Cybersecurity Procedures

The Company's IT and Information Security policies and procedures are in place to address information and cybersecurity requirements. These policies not only facilitate the precise dissemination and accurate presentation of information but also help save time and reduce costs.

Policy Statement

- Strategic Alignment**
Alignment of the strategic direction of IT with the business with respect to services and projects and verifying strategic compliance, i.e., achievement of organizational objectives through strategic IT objectives.
- Benefit Realization (Value Delivery)**
Organization's IT processes shall provide effective and efficient delivery of IT services and early warnings, including any impact on cost, schedule, or functionality that may affect the expected outcomes of the services.
- IT Risk Management**
Ensuring that processes are in place and effective to assess, manage, and monitor the associated risks in IT investments, developments, and operations. The organization ensures that IT risks do not exceed the enterprise risk appetite.
- Resource Optimization**
Ensuring that there is an adequate IT capability and infrastructure assessment to support current and expected future business requirements.

- Performance Management**
Reviewing the measurement of IT performance and the contribution of IT to the business.
- Adequate Policies Framework and Its Independent Assurance**
Ensuring that appropriate policy controls are in place and that the processes are documented.

Cybersecurity Procedure / Action Plan

In today's highly competitive and dynamic environment, companies must align themselves with modern advancements. The Company's Cybersecurity Strategy is in place, which defines the roadmap for technology enhancement and clarifies the role of cybersecurity by enforcing the following action plan to ensure network security:

- The Company shall formulate a cybersecurity action plan to anticipate, withstand, detect, and respond to cyber-attacks in line with standards and best practices.
- Development and implementation of a robust cybersecurity awareness program shall be carried out, ensuring that end-users are aware of the importance of protecting sensitive information and the risks of mishandling information.
- Developing and implementing assessment methods/procedures for determining security control effectiveness.

Committee and Risk Administration

The Company ensures that MIS on incidents, logs, breaches, etc., is regularly reviewed by management, and critical incidents are submitted to the IT Steering Committee for review. The formal IT Steering Committee, chaired by a Board Director and comprising members of senior management, addresses IT security matters. Any high-level cybersecurity threat is escalated to the full Board when broader involvement is required.

However, minor risk related decisions can be agreed between Director IT / Head of respective business units.

Risk Administration

Furthermore, risk administration exercise whether for new project / product or major upgrades usually conducted by compliance and security function in consultation with IT and relevant stakeholders within the Company. Following steps are taken during the risk identification / administration strategy.

- Vulnerability scanning is performed based on the scope of risk assessment.
- Database and Operating System hardening requirements are reviewed.
- Application security requirements are also reviewed.
- Penetration testing exercise is conducted to identify potential threats to the systems.
- Penetration testing report is shared with relevant stakeholders.
- Risks rated as high must be mitigated before deployment.

and each asset is first valued on confidentiality, integrity, and availability. The product of the values gives the Asset Value. Then rate the Asset Value according to nature of its criticality.

Company's Strategy on "Early Warning System"

An Early Warning System (EWS) allows harm, loss reduction, and dissemination of warning information about vulnerabilities taken as risks. Considering our environment, where there is no application hosted publicly, risk of a cyber breach is minimum. Therefore, no requirement of deploying any real-time monitoring and reporting tool. Further, in case of such event, Incident Management Plan (IMP) is in place which escalates the matter to the IT steering committee which can further update the matter to the Board.

Following are the steps or formal disciplinary process underlying real time monitoring by the management to encounter IMP within organization:

- The nature and gravity of the incident / breach and its impact on business;
- Whether or not this is a first or repeated offence.
- Whether or not the convicted staff was properly trained for allowed use;
- Relevant legislation;
- Business contracts; and
- In serious cases of misconduct, the process shall allow for instant removal of duties, access rights and privileges, and for immediate escorting out of the premises, if necessary.

Here, the above-mentioned process or responses are carried out on the basis of categories of incidents including Network Incident, Email, Applications Incident, DC Incident (Domain Controller), and Information / Cyber Security Incidents. The purpose of this process is to manage IT incidents effectively and efficiently as per the IT IMP. This shall ensure that all unplanned interruptions or failures to an IT service or reduction in the quality of an IT service is recorded, analyzed, and resolved in a timely manner.

However, if any cyber security risk or incident is being monitored within the organization, the related responses are also communicated with the entire group of companies for better control over the incident and to reduce the chances of repetition.

Independent Audit Policy

Objective

IT Governance and Security functions conduct internal reviews to strengthen controls on an ongoing basis. To further enhance confidence in business systems, the Company also engages independent third parties for (i) an external IT/systems audit, conducted annually, and (ii) a comprehensive independent security assessment (VAPT and Risk Assessment), conducted periodically once every three years.

This Year's Assessments

As part of the Company's annual external audit cycle, Yousuf Adil conducted the external IT/systems audit for

After administration of risks, the Asset Value is calculated,

the year, in line with the Company's policy of engaging a reputable external firm each year to review IT governance, controls, and compliance.

In addition, the Company engaged PwC to conduct the periodic independent security assessment, including VAPT and Risk Assessment, across its IT infrastructure and applications. The assessment was carried out over the course of the year, with final results received in the fourth quarter. Observations identified during the review were promptly addressed by the IT team, and a revalidation exercise was subsequently conducted to confirm effective remediation of all identified issues.

Scope of Audit

The last external audit was conducted for the period July-25 till June-26, covering the following functional aspects of review:

- IT Governance and Risk Management Analysis of Entity Level Controls
- Systems and Infrastructure Review
- Business Continuity and Disaster Recovery Evaluation
- IT/IS Policy and Procedure Review
- Information Technology Application Controls Review (ITACs)

Policy Statement

- External IT audit shall be conducted at least once a year by reputable auditing firms.
- Independent security assessment (VAPT and Risk Assessment) shall be conducted on a periodic basis, at least once every three years, or earlier if warranted by a significant change in the IT risk environment.
- Internal audit or governance review shall be conducted by a person/department independent of the IT Division, who shall be competent and qualified to perform such review/audits.
- As a first step, a risk assessment shall be carried out to highlight areas where exposure to risk is relatively higher.
- A formal audit/review plan shall be prepared in consultation with the CIO/Director IT based on the risk assessment and concurred by the Head of Internal Audit.
- Appropriate measures shall be taken when granting system access to auditors, such as restricting access to read-only.
- A draft audit report on the findings shall be prepared and submitted to management. Issues highlighted in the report shall be discussed and agreed with management.
- Management's comments shall be taken and incorporated in the auditors' report, with a definite, mutually agreed and documented date for corrective action.
- CIO/Director IT shall be responsible for ensuring effective implementation of the action plan.

Disaster Recovery Plan and Cyber Insurance

In line with Business Continuity Management, the Company has formulated a Business Continuity Plan (BCP) / Disaster Recovery Plan (DRP) to minimize financial losses and mitigate the negative effects of disruptions on business while ensuring compliance with information and security

policies. The DRP is kept up to date, and its effectiveness is verified through DR drills conducted by the IT team on a quarterly basis. This ensures continuity of operations and the availability of critical resources in the event of a disaster.

Policy Statement

BCP and DRP shall be made available to all key persons to ensure continuity in the event of a loss of service or disaster. BCP and DRP must incorporate an adequate level of controls to comply with the information technology and security policies of the Company.

All IT systems must go through a Business Impact Analysis (BIA) to prioritize critical business processes and systems.

Company's Cyber Insurance

The overall number of cyber risk incidents is minimum within the Company due to the strict monitoring and risk assessment planning. However, the Company would be interested to move towards cyber insurance for a long-term protection in the future. As it will be covering the financial losses that result from cyber events and incidents, the Company's management will closely review details first to ensure it contains the necessary protections and provisions to adhere.

Driving Digital Transformation

The Company continued to advance its digital transformation agenda during the year, with a focus on strengthening technology platforms, enhancing operational efficiency, and enabling smarter, data-driven decision-making. Building on the foundation of its in-house ERP ecosystem, the IT function continued to enhance system capabilities, digital integrations, automation, and information security across the organization.

Strategic investments in technology infrastructure, business intelligence, artificial intelligence, and digital services have further strengthened operational resilience and improved accessibility to timely information across business functions.

ERP Enhancement and Digital Integration

Following the successful implementation of the Company's in-house Enterprise Resource Planning (ERP) system, continued efforts were undertaken to enhance system stability, functionality, integration, and user experience. The ERP has increasingly become a central platform for managing and integrating key business processes across the organization.

Key Highlights

- **ERP Optimization and Continuous Improvement**
Continuous enhancements to the ERP platform have focused on improving process efficiency, system performance, controls, and user experience while supporting the evolving requirements of different business functions.
- **Integrated Business Processes**
Further integration of business processes has enabled improved information flow across department providing management with more timely and consolidated information for operational and strategic decision-making.

- **API-Based Digital Integration**
The Company is leveraging AI-enabled capabilities to support API-based integration with banks and selected third-party service providers. This initiative is helping streamline information exchange, reduce manual intervention, and improve the efficiency of connected business processes.
- **AI-Enabled Automation**
The Company is exploring the practical use of Artificial Intelligence to improve operational efficiency and user productivity. AI capabilities are being considered and applied in selected areas to assist with information processing, automate routine activities, and provide intelligent support for day-to-day business requirements.
- **Business Intelligence and Analytics**
The Company continues to expand its use of Business Intelligence (BI) to support data-driven decision-making. Integrated BI dashboards provide management with timely visibility into key operational, financial, production, inventory, sales, and performance indicators. Interactive analytics enable effective monitoring of trends, variances, and business performance, strengthening management reporting and supporting informed operational and strategic decisions.

- **Strengthened Information Security**
The Company continues to strengthen its information security framework to protect critical systems, data, and digital operations. Key focus areas include cybersecurity, access governance, secure connectivity, infrastructure protection, and business continuity, supporting a resilient and reliable technology environment while safeguarding the confidentiality, integrity, and availability of business information.

Artificial Intelligence and Smart Digital Services

The Company has continued to explore the practical application of Artificial Intelligence to improve operational efficiency, security, and employee and user experience.

- **AI-Enabled CCTV and Surveillance**
The Company is progressing with the implementation of AI-enabled capabilities within its CCTV and surveillance infrastructure to strengthen security monitoring and situational awareness across key locations. The initiative is intended to enhance surveillance effectiveness through intelligent monitoring and improved identification of relevant events, supporting a more proactive approach to security management.
- **AI Assistant and Chatbot**
An AI-powered assistant/chatbot initiative has been introduced to provide users with faster access to information and support. The solution is intended to assist employees and users with routine queries, guidance, and access to relevant organizational information, while reducing dependency on manual support.

Progressive Digital Initiatives

As part of its ongoing digital transformation journey, the Company continued to implement technology-enabled initiatives aimed at improving efficiency, transparency, accessibility, and operational control across business functions:

- **Technology-Enabled Attendance Management**
The facial recognition-based attendance system continues to provide an automated and transparent mechanism for workforce attendance management across production facilities, reducing manual dependency and improving the accuracy and reliability of attendance records.
- **Unified Workflow Approvals**
The web-based approval platform continues to facilitate seamless authorization workflows through desktop and mobile devices, enabling faster approvals and improved process turnaround across departments.
- **Digitized Document Management**
The centralized Document Management System continues to support the conversion of physical documents into searchable digital records. Integrated with the ERP environment and supported by OCR technology, the solution enables efficient document retrieval, accessibility, and archival while contributing to the Company's objective of reducing paper dependency.

Looking Ahead

The Company remains committed to leveraging emerging technologies to build a more connected, intelligent, secure, and efficient digital environment. Going forward, continued emphasis will be placed on AI adoption, system integration, automation, cybersecurity, business intelligence, and digital services to support sustainable business growth and strengthen operational excellence.

Education and Training on Cybersecurity and Emerging Technologies

As cybersecurity threats continue to evolve and Artificial Intelligence increasingly becomes part of the digital workplace, employee awareness and digital literacy remain important components of the Company's technology and information security framework. During the year, the Company continued to conduct structured awareness and training initiatives covering cybersecurity risks, secure digital practices, AI awareness, and the responsible use of emerging technologies.

These initiatives focused on strengthening employees' ability to recognize cyber threats, protect sensitive information and access credentials, adopt secure online practices, and understand the opportunities and risks associated with AI. Participation and feedback were monitored to support continuous improvement of the training program and promote a more security-conscious and technology-aware workforce.

threads of excellence

- 198 Forward-Looking Statement
- 198 Performance Against Last Year's Projection
- 199 Status of Projects
- 199 Sources of Information and Assumptions used for Forecast
- 199 AI Adoption Strategy and Long-term Impact Disclosure
- 199 Future Research & Development Initiatives



Forward-Looking Statement

At GTML, we remain committed to resilience, innovation, and sustainable value creation as we navigate a demanding but opportunity-rich operating environment. Our strategic priorities continue to center on strengthening operational efficiency, deepening our presence in value-added segments, and building long-term competitiveness through disciplined investment.

We remain focused on modernizing our technology base and expanding our use of renewable energy to lower our carbon footprint and environmental impact. Our continued investment in our people, our communities, and sound governance reflects our belief that durable value for stakeholders is built steadily, not opportunistically. As we look to the year ahead, we remain confident that our disciplined execution and adherence to our core values will position us to adapt to a challenging macroeconomic backdrop, capture emerging opportunities, and sustain our growth trajectory.

The Company remains committed to long-term value creation through innovation, operational discipline, and continued diversification into value-added segments of the market, with shareholder value remaining central to this strategy. In pursuit of sustainable growth, the Company continues to evaluate opportunities to extend its value chain, while ensuring the responsible and efficient use of natural resources.

A stable and predictable macroeconomic environment remains essential for sustained industrial growth, and the coming year is likely to test this stability. While headline inflation has moderated from recent peaks, it continues to run above the State Bank of Pakistan's target range, and energy and commodity price volatility, driven in part by global geopolitical developments, poses a continuing risk to input costs.

Financing costs, though expected to ease gradually, are likely to remain elevated relative to regional competitors, and electricity and gas tariffs continue to weigh on the industry's cost competitiveness. Against this backdrop, the Company will continue to monitor macroeconomic developments closely and adjust its operating strategy to protect margins and liquidity.

The management remains confident that strategic investments in advanced technology, high-efficiency machinery, and value-added business segments will continue to strengthen the Company's competitive positioning.

These initiatives are expected to enhance productivity and create meaningful differentiation in both domestic and export markets, particularly as international buyers increasingly favor suppliers with strong sustainability credentials and consistent delivery capability.

At the same time, the Company remains mindful that elevated energy tariffs, financing costs, and taxation pressures may continue to weigh on profit margins across the industry; effective cost management, energy

efficiency measures, and process optimization will remain key priorities in mitigating these pressures. The Company's forward-looking growth strategy continues to place strong emphasis on developing its resource capitals: human, manufactured, intellectual, and social and relationship capital. Dedicated budget allocations support this investment, with the objective of building organizational resilience and adaptability in an economic environment that remains subject to external shocks, including energy price movements, exchange rate stability, and shifts in global trade policy.

Moving forward, the Company remains committed to sustaining its sales momentum, pursuing new market opportunities, and embedding sustainability and innovation into its core operations. Management believes that a disciplined, efficiency-driven approach, combined with continued investment in value-added capacity, will allow the Company to navigate near-term cost pressures while remaining well positioned for growth as macroeconomic conditions stabilize.

Further details and deliberations on the Company's strategic priorities and future outlook are presented in the Directors' Report.

Performance Against Last Year's Projection

During the period, our sales targets were not fully achieved due to lower-than-expected market demand & lower sale prices, which directly impacted revenue generation.

At the same time, overall fuel costs remained high, adding further pressure on operational expenses. Despite these challenges, the Company improved gross margins through efficient procurement, product mix optimization, operational efficiencies and increased use of renewable energy. Favorable interest rates also partially helped the Company in offsetting escalating conversion costs.

The CAPEX incurred over the years helped the Company to manage its costs to some extent by incorporating efficiencies. However, the persistent rise in power costs has significantly offset these benefits, making it difficult to realize the full potential of the efficiencies achieved. As a result, the Company was unable to achieve the desired results as initially forecasted.

Further, a comparison of financial performance with the budgeted projections is detailed in the analysis of the financial and non-financial performance section of this report.

Status of Projects

During the year, the Company successfully executed the initiatives outlined in its previous forward-looking statement. We continued to cultivate success factors and foster innovation, while diversifying into value-added sectors to enhance shareholder value. The Company expanded its value chain exposure and ensured responsible consumption of natural resources in line with its sustainability goals.

Furthermore, the Company effectively managed challenges arising from high finance and energy costs, mitigating their impact on overall profitability.

The allocated budget for the development of our resource capitals was efficiently deployed, leading to tangible progress in human, manufactured, intellectual, social, and relationship capital development.

Apart from this, the Company comprehensively invested in renewable energy projects during the year to promote the agenda of responsible production & responsible consumption. These initiatives are not only aligned with global sustainability goals but are also strategically designed to reduce dependency on conventional energy sources. Looking ahead, we anticipate that these green energy projects will play a pivotal role in optimizing long-term power costs, enhancing operational efficiency, and strengthening our resilience against energy market volatility.

Sources of Information and Assumptions Used for Forecast

The Company's management collects and analyzes relevant data, market research, financial projections, industry trends, and internal information to form a comprehensive understanding of the organization's current state and potential future outcomes. Based on the gathered information and analysis, management sets specific goals and objectives that align with the organization's mission and long-term vision.

The Company based on current monetary and fiscal policies, affiliation / contacts with associations, consultation with industry experts, including advisory firms, market research including past trends, forecasts the factors, i.e., exchange rate, interest rate, cotton prices, sales prices, etc. that have significant impacts on the Company's operations and accordingly makes projections / budgets for the upcoming year.

AI Adoption Strategy & Long-Term Impact Disclosure

The Company continued to advance its Artificial Intelligence (AI) adoption as part of its broader digital transformation journey, moving from strategic planning toward practical applications across selected business and operational areas. AI-enabled capabilities are being utilized to support API-based integration with banks and selected third-party service providers, while AI-driven initiatives in areas such as intelligent CCTV surveillance and an AI assistant/chatbot are being progressed to enhance security, accessibility, and user support.

These initiatives reflect the Company's approach to adopt AI in a practical and responsible manner, with a focus on improving operational efficiency, strengthening decision support, enhancing user experience, and supporting smarter digital processes. The Company will continue to evaluate relevant AI opportunities in line with business requirements, technology maturity, information security, and appropriate governance considerations.

Future Research & Development Initiatives

As part of our future outlook, the Company is dedicated to advancing overall Research & Development initiatives to drive innovation and sustainability. Our focus will be on utilizing cutting-edge technologies that enhance production efficiency and reduce environmental impact.

We plan to research advanced materials, aiming to create more sustainable and eco-friendly textile products. Additionally, we are exploring new energy-efficient processes and renewable energy integrations to further minimize our carbon footprint.

Our commitment to continuous improvement and innovation ensures that we remain at the forefront of the industry, delivering value to our stakeholders and contributing to a sustainable future.



threads of wellbeing

- 202 Stakeholders' Engagement Policy
- 202 Identification of Stakeholders
- 203 Stakeholders' Engagement Process
- 204 Relation with Stakeholders
- 204 Encouraging Minority Shareholders
- 204 Investors' Relation Section
- 204 Investors' Corporate Briefing Program
- 205 Redressal of Investors' Complaints
- 205 Corporate Benefit to Shareholders
- 205 Whistle Blowing Policy



Stakeholders’ Engagement Policy

GTML is fully committed to developing an effective working relationship with all its stakeholders. The objective of this policy is to lay down key principles of engagement with stakeholders. With respect to the engagement of its stakeholders, GTML is committed to

1. Providing accurate and timely information to all stakeholders.
2. Obtaining regular feedback from stakeholders.
3. Evaluating the effectiveness of stakeholders’ engagement activities and working continuously to improve such engagements.

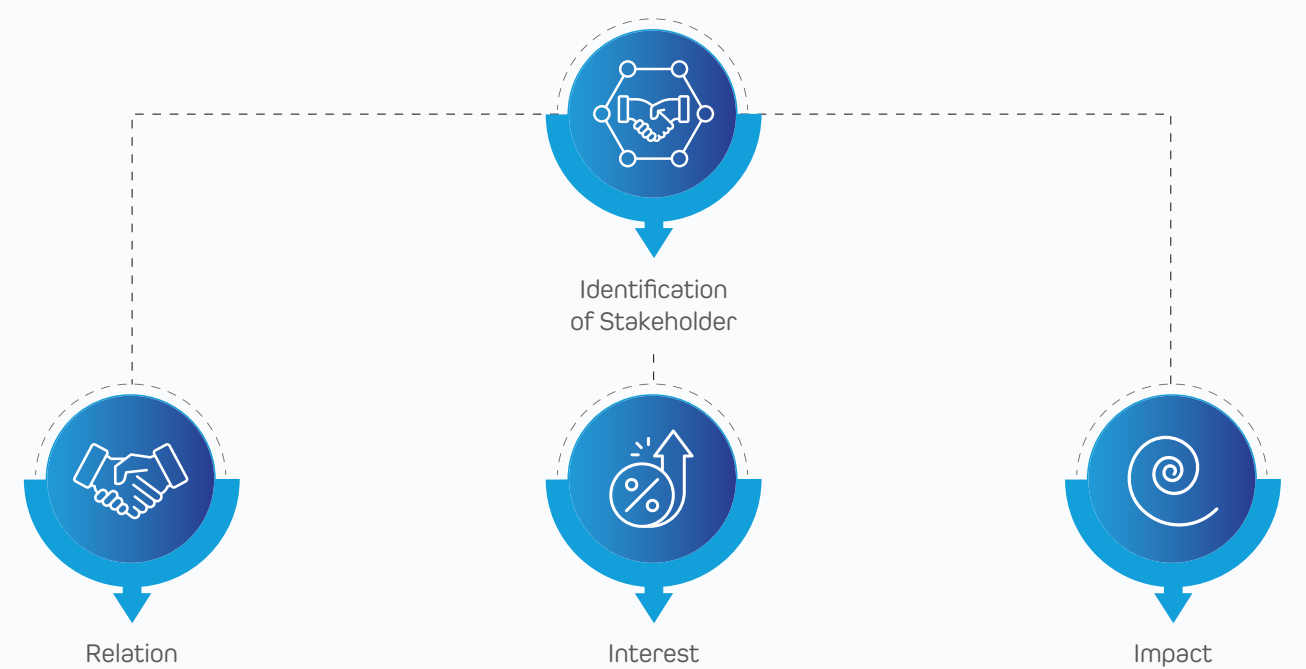
Frequency of stakeholder’s engagements is based on the corporate and business requirements as laid down by the corporate laws, contractual obligations, as and when required. Ultimately, a robust stakeholder engagement strategy is essential for long-term growth and resilience in an ever-evolving business landscape.

Identification of Stakeholders

The Company focuses on identifying and establishing strong relationships with its stakeholders to encourage the growth and existence of the Company. A stakeholder is said to be an individual or a group that can be affected by or can affect the business operation either directly or indirectly. There are several factors involved in identifying the type or nature of a stakeholder some of which are as follows:

1. Relation of a stakeholder with the business
2. Interest of a stakeholder in the business
3. Impact of a business operation / decision on the stakeholder

Nature/Type	Relation	Interest	Impact	Examples
Primary Stakeholder	Shares direct relation with the business activities.	Are interested in day-to-day operations of the business	Are directly impacted by the decisions taken by the Company	Investors, lender of finance. Employees, customers, and suppliers
Secondary Stakeholder	Are indirectly related to the business operations / activities	Take interest once in a while or when major decision has been taken by the Company	Are indirectly impacted by the decisions taken by the Company	Media groups, regulators, community and other external groups



Stakeholders’ Engagement Process

GTML focuses on establishing strong relationships with its stakeholders to encourage the growth and existence of the Company. The Company makes use of commitment, sincerity, competence, effective communication, and reliable behavior to collaborate with its stakeholders. From short-term assessments to long-term strategic relationship building, ‘Stakeholders’ Engagement’ lies at the core of the Company’s business practices.

Stakeholders	Description	Frequency
Employees	The Company ensures to foster a positive work environment, offering professional development, and maintaining open communication channels. Engaging employees in the decision-making process and aligning their personal goals with the Company’s objectives further strengthens their connection, leading to higher levels of productivity, innovation, and overall job satisfaction.	Continuous
Investors and Shareholders	To update investors / shareholders about the Company’s current performance / future plans and to provide them with a platform for raising their concerns. The Company engages with them through Annual General Meetings, Quarterly / Half Yearly / Annual Reports, website, and investor / corporate briefing sessions	Yearly / Continuous / As required
Customer and Suppliers	The Company strives to come up with innovative ways to interact with its customers and suppliers. It engages with all its customers and suppliers through get-togethers, market visits, customer satisfaction surveys, and feedback on a periodic basis.	Continuous
Banks and Lenders of Finance	The Company considers the providers of funds to be its partners in success and ensures that they are frequently engaged with the Company and taken into confidence as and when required. The Company maintains excellent and lasting relationships with all the leading financial institutions in the Country for future partnerships	Continuous / As required
Media	The Company engages with the media and disseminates news and other relevant updates to its stakeholders through press releases, corporate briefings, media announcements, presentations, and etc. Further, our Corporate Branding team regularly updates our social media platforms and website	As required
Regulators	The Company believes in strict compliance with applicable laws and regulations. To remain compliant, GTML ensures that all the regulators’ queries are responded to on a timely basis, including the filing of various statutory returns / forms.	Periodic / As required
Local Committees	The Company actively participates in various CSR initiatives and activities in the health, education, and social sector	Continuous

Relation with Stakeholders

A healthy relationship with stakeholders is the key to a successful business. Under this context, our management understands that any dispute with the stakeholder can cause hindrances in day-to-day business operations and therefore give due importance to their feedback / suggestion.

Accordingly, stakeholders are allowed to have direct access to the Company Secretary in case of any grievance. Furthermore, the Company also ensures that all business activities between stakeholders are conducted through fair, legal, and ethical means.

By involving stakeholders in decision-making processes, addressing their concerns, and demonstrating transparency and accountability, companies can establish a positive image and strengthen relationships with stakeholders.

Encouraging Minority Shareholders

The shareholders hold immense value to the Company. GTML prioritizes the interests of its shareholders, and so their views are of utmost importance to us. The Company understands the importance of continuous collaboration with all its shareholders & believe that effective stakeholder engagement helps build trust and enhance the Company's reputation.

Therefore, regardless of their shareholding value, we encourage all shareholders to attend the General Meetings.

The Company has adopted the following steps to encourage minority shareholders to attend the General Meeting:

- Notice is circulated within the regulatory timeframe.
- Notice is sent electronically on request.
- Notice is issued in English and Urdu newspapers having nationwide circulation.
- Notice is updated on the PSX portal as well as on official website of the Company

Apart from timely submission of accounts and notices to shareholders, the Company encourages minority shareholders to attend the Annual General Meetings and provides the video conferencing facility to shareholders (having shareholding of 10% or more in aggregate), as per section 132(2) of the Companies Act, 2017, subject to availability of video conference facility in that city and receipt of intimation from the shareholders at least seven days prior to the date of the meeting.

In addition to that, from last two years the Company has also arranged the online meeting facility for those shareholders who are interested to participate virtually in the General Meetings.

Further, to provide an additional opportunity to minority shareholders to interact with the management of the Company, the Company has been conducting corporate briefings and roadshows on a periodic basis throughout the year.

Investors' Relations Section

The Company communicates all major financial information including audited annual reports needed for investors' decision-making by uploading it on the corporate website, i.e. (www.gadoontextile.com) under the section of Investor Relations, on a timely basis.

Investors' Corporate Briefing Program

Our stakeholder extends valuable contributions toward growth and existence. The Company understands the importance of continuous collaboration with all its stakeholders by maintaining open lines of communication on an ongoing basis, provide regular updates, share relevant information, and seek their input on key decisions or initiatives to ensure a more comprehensive and well-rounded decision-making process.

The Board has devised a mechanism to arrange interactive sessions between the management of the Company and its shareholders to solicit and understand the views of shareholders. The purpose of these sessions is to brief shareholders about the performance of the Company, macro and micro economic factors affecting the Company, prospects of the Company, and the steps taken by the Company to improve its performance in challenging circumstances. These communications help the Company to understand and resolve the concerns of the shareholders and to add a synergy factor to achieve better results for the Company's prospects.

The Board is pleased to inform you that the Company held the corporate briefing session on October 10, 2025 through a live online session between the members, research analysts, fund managers, and management representatives where insight on the Company's performance was discussed along with future prospects.

Similarly, the Company is planning to hold the corporate briefing session for the year ended June 30, 2026 in the month of October 2026.



Redressal of Investors' Complaints

The Company practices a strategic support system to address & monitor the investors' complaints reported. To resolve the issues reported within the given time frame, an online investor grievances form is available on the official website of the Company. During the year no complain were received.

Corporate Benefit to Shareholders

Throughout the fiscal year, our dedication to enhancing shareholder value remained unwavering. During the past five years, shareholders have enjoyed the benefits of both value appreciation and dividend distributions. We continue to prioritize sustainable growth, with a focus on delivering long-term value through prudent financial management and strategic market positioning.

Whistle Blowing Policy

This policy sets out guidelines to encourage individuals who believe or have discovered malpractice or impropriety in the activities of the Company.

The Company is committed to the highest standards of openness, honesty, and accountability. In line with its commitment, the Company encourages employees and/or third parties (suppliers, customers, dealers, etc.) with serious concerns about any aspect of the Company's work to come forward and blow the whistle. These concerns may include but are not limited to the following:

- Financial malpractice or impropriety or fraud.
- Failure to comply with a legal obligation.
- Disclosure of confidential information within or outside the Company.
- Deviation from full and fair reporting of the Company's financial position.
- Dangers to health and safety or the environment.
- Unlawful civil and criminal activity.
- Improper conduct or unethical behavior.

All reporting shall be handled in a confidential manner. It shall be ensured that the person raising the issue, if not anonymous, is not targeted or penalized for raising the matter in all circumstances.

Confidentiality shall be maintained to the fullest extent possible. However, if the person raising the issue has acted with malicious intent, disciplinary action may be taken against the person.

This mechanism has fostered a culture of accountability, ethical conduct, and openness within the organization, thereby strengthening stakeholders' confidence in the Company's governance practices.

In order to blow a whistle or to file a complaint officially, stakeholders can also contact the members of the committee through designated email address (speakup@gadoontextile.com).



The Company is committed to the highest standards of openness, honesty, and accountability.

threads of integrity

208 Statement of Unreserved Compliance with International Financial Reporting Standards (IFRS)
209 Disclosures Beyond BCR



Statement of Unreserved Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Company have been prepared in accordance with the IFRS issued by IASB as notified under the Companies Act, 2017, which ensures consistency, comparability, and credibility in corporate reporting.

Further, there are certain standards and interpretations which are yet to be effective in Pakistan and certain standards not adopted by SECP, as disclosed in note 3.2 of the financial statements.

However, the management believes these standards and interpretation does not have any material impact on the financial statements of the Company, other than certain additional disclosures.

Integrated Reporting

To meet excellence in corporate reporting, the Company continuously strives to meet the best corporate reporting standards and create values for its stakeholders. The Company aims to achieve excellence in transparent reporting along with consistent improvement in the quality of the information disclosed within the report.

This approach allows stakeholders to gain a deeper understanding of the company's strategy, governance, performance, and prospects in the context of its external environment.

By highlighting the relationships between financial and non-financial factors the report fosters transparency and accountability, helping to build trust with investors, customers, employees, and other stakeholders.

Management Approach

The Company adopted the International Integrated Reporting Framework to design this Annual Report with the on-going changes and improvements in the reporting standards.

The Company's management acknowledges its utmost responsibility to ensure the integrity of this report following Integrating Reporting (IR) Framework, International Financial Reporting Standards (IFRS), and Best Corporate Reporting (BCR) guidelines.

The management is also committed to providing stakeholders a concise and transparent assessment of our value chain process including the business model, risks, processes, strategies, governance, and opportunities in an orderly manner.



Disclosures Beyond BCR

The Company, in order to promote transparency in its dealings, has added certain additional information for its stakeholders, which are beyond the required criteria of BCR Criteria (Page No. 0273). Details are as follows:

Page No. 010	Product Gallery	Page No. 077	Sustainability Snapshot
Page No. 078	United Nation SDGs	Page No. 103	Employee Engagement Activities
Page No. 046	Awards and Achievements	Page No. 052	Calendar of Notable Events
Page No. 067	Materiality Determination	Page No. 086	Health and Safety Roadshow

threads of balance

212	Independent Auditor's Report to the Members
216	Statement of Financial Position
218	Statement of Profit or Loss
219	Statement of Comprehensive Income
220	Statement of Changes in Equity
221	Statement of Cash Flows
222	Notes to the Financial Statements



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GADOON TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Gadoon Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2026, 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 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, 2026 and of the profits, 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 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matters	How the matter was addressed in our audit
	Capital Expenditure	
	(Refer Note 5 to the annexed Financial Statements)	Our key audit procedures in this area amongst others included the following:
	The Company’s financial statements for the year ended June 30, 2026 disclosed a significant capital expenditure of Rs. 5,596 million incurred during the year, which primarily relates to the installation of technologically advanced machines.	We evaluated the authorization and approval procedures for capital expenditure, checking compliance with company policies along with their budgeting.
	The capital expenditure incurred during the year represents significant transactions and requires appropriate application as per applicable financial reporting framework. In view of the above, we have identified this matter as a key audit matter.	We tested samples of capital expenditure transactions to check the accuracy and valuation of the amounts recorded in the financial statements.
		We assessed management's criteria for capitalizing expenditure, as per the capitalization policy and evaluated consistency with the relevant accounting standards.
		We performed physical verification, on sample basis, of assets acquired to check the existence of assets.
		We examined the documentation supporting management's decisions regarding the capitalization of expenditure, such as contracts, and invoices.
		We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as current useful life estimates and timing of capitalisation.
		We assessed the adequacy of disclosures in accordance with the applicable financial reporting framework.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditors’ report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 Arif Nazeer.

Young Arif

Chartered Accountants

Karachi
Date: August 31, 2026
UDIN: AR202610099eMPLncnws3

Statement of Financial Position

As at June 30, 2026

ASSETS

Non-Current Assets

Property, plant and equipment	5	30,908,796	27,619,937
Biological assets	6	626,187	563,983
Long term loans	7	8,885	1,467
Long term deposits		72,032	72,668
Long term investments	8	6,930,508	6,518,977
		38,546,408	34,777,032

Current Assets

Stores, spares and loose tools	9	1,988,684	2,100,960
Stock-in-trade	10	22,192,825	26,212,864
Trade debts	11	6,477,435	4,956,001
Loans and advances	12	215,832	306,403
Trade deposits and short term prepayments		50,298	61,948
Other receivables	13	1,904,254	2,620,022
Taxation- net		841,895	-
Cash and bank balances	14	503,750	83,256
		34,174,973	36,341,454
Total Assets		72,721,381	71,118,486

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorised		575,000	575,000
57,500,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid-up capital	15	280,296	280,296
Capital reserves	16	16,637,541	16,637,541
Revenue reserves	16	9,813,968	6,993,069
Total Equity		26,731,805	23,910,906

Non-Current Liabilities

Long term finance	17	4,442,103	3,638,198
Deferred government grant	18	74,366	107,509
Retirement benefit obligation	19	1,149,841	1,272,354
Infrastructure Cess	20	1,057,533	-
Deferred tax liabilities	21	1,091,113	743,934
		7,814,956	5,761,995

Current Liabilities

Trade and other payables	22	14,580,005	12,939,736
Unclaimed dividend		31,987	32,273
Levies payable		145,844	383,967
Current portion of long term finance	17	759,924	729,389
Current portion of deferred government grant	18	22,143	27,650
Accrued mark-up		466,547	540,843
Short term borrowings	23	22,168,170	26,688,089
Taxation- net		-	103,638
		38,174,620	41,445,585
Total Liabilities		45,989,576	47,207,580
Total Equity and Liabilities		72,721,381	71,118,486

CONTINGENCIES AND COMMITMENTS

24

The annexed notes from 1 to 45 form an integral part of these financial statements.

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

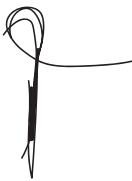
Statement of Profit or Loss

For the Year Ended June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Sales - net	25	75,995,927	70,979,986
Cost of sales	26	(70,042,930)	(64,653,932)
Gross profit		5,952,997	6,326,054
Distribution cost	27	(1,044,449)	(887,641)
Administrative expenses	28	(722,894)	(585,309)
		(1,767,343)	(1,472,950)
		4,185,654	4,853,104
Finance cost	29	(2,438,123)	(2,523,731)
Other expenses	30	(238,639)	(432,295)
		1,508,892	1,897,078
Other income	31	557,614	484,857
Share of profit from associates	8	858,197	1,217,276
Other Gains - Remeasurement gain on provision for SIDC	20	932,048	-
Profit before final taxes, revenue taxes and income taxes		3,856,751	3,599,211
Final taxes	32	-	-
Profit before revenue taxes and income tax		3,856,751	3,599,211
Revenue taxes	32	(896,590)	(194,372)
Profit before income tax		2,960,161	3,404,839
Taxation - net	32	(331,633)	(1,012,935)
Profit for the year		2,628,528	2,391,904
Earning per share - basic and diluted (Rupees)	33	93.78	85.33

The annexed notes from 1 to 45 form an integral part of these financial statements.


MUHAMMAD ALI TABBA
Chairman


MUHAMMAD SOHAIL TABBA
Chief Executive Officer


MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Comprehensive Income

For the Year Ended June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Profit for the year		2,628,528	2,391,904
Other comprehensive income			
Items that will be reclassified subsequently to the statement of profit or loss			
Share of other comprehensive income / (loss) from associates - net of tax	8	(3,789)	1,222
Items that will not be reclassified subsequently to the statement of profit or loss			
- Remeasurement of defined benefit obligation	19.5	311,365	31,937
- Income tax relating to defined benefit obligation		(115,205)	(12,455)
		196,160	19,482
Other comprehensive income		192,371	20,704
Total comprehensive income for the year		2,820,899	2,412,608

The annexed notes from 1 to 45 form an integral part of these financial statements.


MUHAMMAD ALI TABBA
Chairman


MUHAMMAD SOHAIL TABBA
Chief Executive Officer


MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended June 30, 2026

		Capital Reserves				Revenue Reserves				
	Issued subscribed and paid-up share capital	Share premium	Amalgamation reserve	Reserves against long term investment capacity expansion & BMR	Sub Total	General reserve	Amalgamation reserve	Unappropriated profit	Sub total	Grand total
----- (Rupees in '000) -----										
Balance as at July 1, 2024	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	2,853,128	4,580,461	21,498,298
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	2,391,904	2,391,904	2,391,904
Other comprehensive income	-	-	-	-	-	-	-	20,704	20,704	20,704
Total comprehensive income for the year	-	-	-	-	-	-	-	2,412,608	2,412,608	2,412,608
Balance as at June 30, 2025	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	5,265,736	6,993,069	23,910,906
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	2,628,528	2,628,528	2,628,528
Other comprehensive income	-	-	-	-	-	-	-	192,371	192,371	192,371
Total comprehensive income for the year	-	-	-	-	-	-	-	2,820,899	2,820,899	2,820,899
Balance as at June 30, 2026	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	8,086,635	9,813,968	26,731,805

The annexed notes from 1 to 45 form an integral part of these financial statements.

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Cash Flows

For the Year Ended June 30, 2026

A. CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations
Finance cost paid
Income taxes and levies paid
Retirement benefits paid

Net cash (used in) / generated from operating activities

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Short term Investment made
Sale proceeds from disposal of short term investment
Sale proceeds from disposal of property, plant and equipment
Sale proceeds from disposal of biological assets
Loans (provided to) / repaid by employees - net
Long term advance received
Long term deposits given
Profit received from bank deposits
Dividend received
Net cash used in investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained
Repayment of long term finance
Repayment of term loan
Repayment renewable energy financing
Export loan -net
Repayment of temporary economic refinance facility
Export refinance - net
Import loan - net
Dividend paid
Net cash generated from / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents (A+B+C)
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year

CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term borrowings

CHANGES ARISING FROM FINANCING ACTIVITIES

	2025	Financing cash inflows	Financing cash outflows	Non-cash changes	2026
------(Rupees in '000)-----					
Long term finance	4,502,746	1,535,391	(739,601)	-	5,298,536
Unclaimed dividend	32,273	-	(286)	-	31,987

The annexed notes from 1 to 45 form an integral part of these financial statements.

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Note	2026	2025
------(Rupees in '000)-----		
34	14,498,028	2,037,143
	(2,512,419)	(2,605,413)
	(2,179,156)	(1,291,863)
	(331,226)	(326,308)
	(5,022,801)	(4,223,584)
	9,475,227	(2,186,441)
	(6,016,197)	(5,720,620)
	-	(19,000,000)
	-	19,196,073
	195,686	149,594
	59,407	183,060
	(41,439)	16,188
	-	4,722
	636	(8,082)
	29,461	69,626
	442,128	1,057,241
	(5,330,318)	(4,052,198)
	1,535,391	-
	(551,249)	(297,920)
	-	(1,800,000)
	(55,123)	-
	867,490	-
	(133,229)	(146,883)
	268,152	1,385,937
	870,564	(1,729,220)
	(286)	(107)
	2,801,710	(2,588,193)
	6,946,619	(8,826,832)
	(17,992,502)	(9,165,670)
	(11,045,883)	(17,992,502)
14	503,750	83,256
23	(11,549,633)	(18,075,758)
	(11,045,883)	(17,992,502)

Notes to the Financial Statements

For the Year Ended June 30, 2026

1. THE COMPANY AND ITS OPERATIONS

Gadoon Textile Mills Limited (the Company) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn and knitted bedding products, dyeing services and production and sale of milk .

Y.B. Holdings (Private) Limited is the holding company of the Company.

Following are the geographical location and address of all business units of the Company:

Head Office:

7-A, Muhammad Ali Society, Abdul Aziz Haji Hashim Tabba Street, Karachi, Province of Sindh, South, Pakistan.

Manufacturing Facility:

- a) 200-201, Gadoon Amazai Industrial Estate, District Swabi, Province of Khyber Pakhtunkhwa, North, Pakistan.
- b) 57 Km on Super Highway (near Karachi), Province of Sindh, South, Pakistan.

Liaison Office:

Office No. 401, 4th Floor, Tri Tower, Opposite Sarhad University, Ring Road, Peshawar.

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 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, 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:

- obligations under the defined benefit plan are stated at present value;
- biological assets i.e. livestock are stated at fair value less estimated point-of-sale costs;
- investment in associates are accounted for using equity method; and
- obligations for TERF is stated at present value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Company’s functional and presentation currency.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods, if the revision affects both current and future periods.

Critical judgements

Management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

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

- a) determining the residual values and useful lives of the property, plant and equipment (note 4.1);
- b) valuation of biological assets (note 4.2);
- c) provisions - for slow moving stores, spares and loose tools (note 4.3);
- d) valuation of stock-in-trade - at lower of cost and NRV (note 4.4);
- e) impairment of financial assets and provisions - for loss allowance (notes 4.7.2);
- f) impairment of non financial assets (note 4.7.3);
- g) provision for taxation including deferred tax (note 4.10);
- h) accounting for retirement benefit obligation (note 4.11); and
- i) provisions against liability and contingencies (note 4.14).

3 Changes in accounting standards and interpretations

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Lack of Exchangeability (Amendments to IAS 21)

3.2 New accounting standards and amendments that are not yet effective

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

	Effective from accounting period beginning on or after
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements IFRS 17 – Insurance Contracts (including the June 2020 and	January 01, 2026
- December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work-in-progress is stated at cost less impairment losses, if any. Freehold land is stated at cost.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for intended use.

Depreciation is charged, from the month when the asset is available for use and ceased from the month of disposal, to the statement of profit or loss applying the straight line method . The residual values, useful lives and depreciation methods are reviewed and changes, if any, are treated as change in accounting estimates, at each reporting date. Rates for depreciation are stated in note 5.1 to the financial statements.

Maintenance and repairs are charged to the statement profit or loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are taken to the statement of profit or loss as and when incurred.

During the year, the Company changed its depreciation method for Property, Plant, and Equipment from the reducing balance method to the straight-line method to better reflect the expected pattern of consumption of future economic benefits and to align with Group reporting policies.

In accordance with IAS 16 (Property, Plant and Equipment) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), this change has been applied prospectively as a change in accounting estimate, resulting in a decrease in depreciation expense and a corresponding increase in profit before tax for the current year by Rs 141.08 million.

The impact on future periods is impracticable to estimate reliably due to potential future asset additions, disposals, and impairments.

4.2 Biological assets

Livestock are measured at their fair value less estimated point-of-sale costs. Fair value of livestock is determined by an independent valuer on the basis of best available estimates for livestock of similar attributes.

Biological assets have been classified at level 2 of fair value hierarchy as disclosed in note 40 to the financial statements.

Gains or losses arising from changes in fair value less estimated point-of-sale costs of livestock are recognised in the statement of profit or loss.

4.3 Stores, spares and loose tools

These are stated at lower of cost and net realisable value. Cost is determined using moving average method. Items in transit are stated at invoice value plus other charges incurred thereon until the reporting date.

For items that are slow moving adequate provision is made, if necessary, for any excess carrying value over estimated realisable value and charged to the statement of profit or loss.

4.4 Stock-in-trade

Basis of valuation is as under:

- Raw material in hand (imported)	Lower of cost (weighted average) and Net Realisable Value (NRV)
- Raw material in hand (local)	Lower of cost (weighted average) and NRV
- Raw material in hand (feed)	Lower of cost (weighted average) and NRV
- Raw material in-transit	Cost accumulated to end of reporting period
- Work-in-process	Lower of cost (weighted average) and NRV
- Finished goods	Lower of cost (weighted average) and NRV
- Finished goods (milk)	Fair value less estimated point-of-sale costs
- Waste	NRV

Cost in relation to work-in-process and finished goods represents annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads.

NRV signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to effect such sale.

4.5 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Short term borrowings (except export refinance and import loan) availed by the Company which are payable on demand and form an integral part of the Company’s cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

4.6 Investments

Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company’s share of profit or loss of the associate after the date of acquisition. The Company’s share of profit or loss of the associate is recognised in the statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company’s proportionate interest in the associate arising from changes in the associates’ other comprehensive income that have not been recognised in the associate’s statement of profit or loss. The Company’s share of those changes is recognised in the statement of comprehensive income of the Company.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in the statement of profit or loss.

4.7 Financial instruments

4.7.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statement of profit or loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.7.2 Impairment of financial assets

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance, if any. The Company recognises a loss allowance for ECL on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default (‘PD’) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

	Derivative financial instruments Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to the statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.
4.7.3	Non-financial assets The Company assesses at each reporting date whether there is any indication that assets except inventories, biological assets and deferred tax asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income in the statement of profit or loss.
4.7.4	Financial liabilities All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities at FVTPL Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss incorporates any interest paid on the financial liability. Financial liabilities measured subsequently at amortised cost Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Borrowing costs are recognised as an expense in the year in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset. Derecognition of financial liabilities The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.
4.7.5	Offsetting of financial assets and financial liabilities Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.
4.8	Borrowings and their costs Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost.
4.9	Levy A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than: (a) those outflows of resources that are within the scope of other standards. (b) fines or other penalties that are imposed for breaches of the legislation. In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid has been netted off and the net position is shown in the statement of financial position.

i	Revenue tax Revenue tax includes amount representing excess of : a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and; b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years. Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as minimum tax differential. The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.
ii.	Final Taxes Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance. Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.
4.10	Taxation / Revenue Taxes / Final Taxes In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on the item of material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability. Significant management judgment is required to determine the amount of deferred tax that can be recognized based on the likely timing and the level of future taxable profits, together with future tax planning strategies. The management considers tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.
i.	Current Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.
ii.	Deferred Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate.

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

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

4.11 Retirement benefit obligation - defined benefit plan

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into Pak Rupees at the rates prevailing on the reporting date.

Gains and losses arising on retranslation are included in the statement of profit or loss for the year.

4.12 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into Pak Rupees at the rates prevailing on the reporting date.

Gains and losses arising on retranslation are included in the statement of profit or loss for the year.

4.13 Revenue recognition

Revenue from the sale of goods is recognised when the control of goods have passed to the buyer, usually on delivery of the goods.

Revenue from service fee is recognized at point in time, when customers utilize the services, in accordance with the terms mutually agreed upon by the company and its customers.

4.14 Provisions

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

4.15 Deferred government grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) TERF, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within in the statement of profit or loss.

4.16 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognised in the year in which these are approved.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has identified different chief operating decision makers responsible for strategic decisions of all the reportable segments.

Operating segments that do not meet the quantitative thresholds, as defined in IFRS 8 'Operating Segments', has not been considered as reportable segments in these financial statements.

4.18 Earnings per share

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

	Note	2026 ----- (Rupees in '000)	2025 -----
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	27,841,163	23,347,318
Capital work-in-progress	5.2	3,067,633	4,272,619
		<u>30,908,796</u>	<u>27,619,937</u>

5.1 Operating fixed assets

	2026							
Particulars	Cost as at July 01, 2025	Additions / (Disposals)	Cost as at June 30, 2026	Accumulated depreciation as at July 01, 2025	Depreciation for the year / (Disposals)	Accumulated depreciation as at June 30, 2026	Carrying value as at June 30, 2026	Rate of depreciation
	(Rupees in '000)							
	years							
Land:								
Leasehold	196,169	-	196,169	19,377	1,503	20,880	175,289	1
Freehold	880	-	880	-	-	-	880	-
Buildings on leasehold land:								
Mills	2,511,103	482,375	2,993,478	1,741,609	49,868	1,791,477	1,202,001	30
Knitting unit	604,051	9,687	613,738	100,489	17,312	117,801	495,937	30
Dyeing Unit	3,254,909	47,305	3,302,214	534,969	97,444	632,413	2,669,801	30
Roads	126,665	-	126,665	39,264	3,264	42,528	84,137	30
Power plant	217,187	-	217,187	151,425	3,748	155,173	62,014	30
Office	176,101	-	176,101	72,211	4,131	76,342	99,759	30
Workers' colony	190,656	-	190,656	168,666	5,396	174,062	16,594	30
Other	841,509	12,779	854,288	303,151	29,050	332,201	522,087	30
Buildings on freehold land:								
Family colony	319,737	-	319,737	223,884	5,163	229,047	90,690	30
Plant and machinery	25,528,470	4,820,653 (514,506)	29,834,617	10,934,034	1,443,104 (407,700)	11,969,438	17,865,179	10-20
Power plant	4,667,793	1,378,781	6,046,574	1,402,115	624,400	2,026,515	4,020,059	10
Electric installations	380,022	45,277	425,299	265,678	76,409	342,087	83,212	10
Tools and equipment	60,454	1,131	61,585	24,540	35,058	59,598	1,987	3
Furniture and fittings	49,418	4,853	54,271	16,956	13,403	30,359	23,912	5
Computer equipment	93,255	23,143 (1,419)	114,979	58,806	29,575 (1,203)	87,178	27,801	3
Office equipment and installations	52,389	20,787	73,176	19,822	27,524	47,346	25,830	3
Fork lifters and tractors	84,342	4,400	88,742	62,134	18,305	80,439	8,303	5
Vehicles	348,275	369,730 (115,519)	602,486	219,384	112,293 (94,609)	237,068	365,418	5
Fire fighting equipments	11,778	282	12,060	9,331	2,456	11,787	273	3
June 30, 2026	39,715,163	7,221,183 (631,444)	46,304,902	16,367,845	2,599,406 (503,512)	18,463,739	27,841,163	

Additions to operating fixed assets include transfers from capital work-in-progress amounting to Rs. 6.8 billion.

5.1 Operating fixed assets

Particulars	2025									
	Cost as at July 01, 2024	Re- classification	Additions / (Disposals)	Cost as at June 30, 2025	Accumulated depreciation as at July 01, 2024	Re- classification	Depreciation for the year / (Disposals)	Accumulated depreciation as at June 30, 2025	Carrying value as at June 30, 2025	Rate of depreciation
	(Rupees in '000)									
Land:										
Leasehold	196,169	-	-	196,169	17,874	-	1,503	19,377	176,792	1
Freehold	880	-	-	880	-	-	-	-	880	-
Buildings on leasehold land:										
Mills	2,493,278	-	17,825	2,511,103	1,653,219	-	88,390	1,741,609	769,494	10
Knitting unit	360,484	-	243,567	604,051	50,577	-	49,912	100,489	503,562	10
Dyeing Unit	3,607,724	(436,872)	84,057	3,254,909	270,579	(32,765)	297,155	534,969	2,719,940	10
Roads	47,456	-	79,209	126,665	33,220	-	6,044	39,264	87,401	10
Power plant	217,187	-	-	217,187	144,118	-	7,307	151,425	65,762	10
Office	176,101	-	-	176,101	60,667	-	11,544	72,211	103,890	10
Workers' colony	190,656	-	-	190,656	167,509	-	1,157	168,666	21,990	10
Other	801,878	-	39,631	841,509	274,903	-	28,248	303,151	538,358	5
Buildings on freehold land:										
Family colony	319,737	-	-	319,737	213,234	-	10,650	223,884	95,853	10
Plant and machinery	23,862,961	436,872	1,906,083 (677,446)	25,528,470	9,850,328	32,765	1,575,754 (524,813)	10,934,034	14,594,436	10
Power plant	4,024,290	-	643,503	4,667,793	1,056,755	-	345,360	1,402,115	3,265,678	10
Electric installations	374,472	-	5,550	380,022	253,025	-	12,653	265,678	114,344	10
Tools and equipment	50,363	-	10,091	60,454	20,940	-	3,600	24,540	35,914	10
Furniture and fittings	29,338	-	20,080	49,418	14,831	-	2,125	16,956	32,462	10
Computer equipment	80,087	-	15,242 (2,074)	93,255	48,253	-	11,868 (1,315)	58,806	34,449	30
Office equipment and installations	45,701	-	6,688	52,389	16,321	-	3,501	19,822	32,567	10
Fork lifters and tractors	81,430	-	2,912	84,342	56,886	-	5,248	62,134	22,208	20
Vehicles	384,438	-	- (36,163)	348,275	206,936	-	34,183 (21,735)	219,384	128,891	20
Fire fighting equipments	11,778	-	-	11,778	9,058	-	273	9,331	2,447	10
June 30, 2025	37,356,408	-	3,074,438 (715,683)	39,715,163	14,419,233	-	2,496,475 (547,863)	16,367,845	23,347,318	

Additions to operating fixed assets include transfers from capital work-in-progress amounting to Rs. 3.01 billion.

5.1.1 Depreciation charged for the year has been allocated as under:

	Note	2026	2025
		----- (Rupees in '000) -----	
Cost of sales	26.1 & 26.1.2	2,514,276	2,463,736
Administrative expenses	28	85,130	32,739
		<u>2,599,406</u>	<u>2,496,475</u>

5.1.2 Disposal of operating fixed assets having net book value in excess of Rs. 500,000

Description	Cost	Accumulated depreciation	Carrying value	Sales proceeds	(Loss) / gain	Mode of disposal	Purchaser
----- (Rupees) -----							
Plant and machinery	6,629,836	2,564,086	4,065,750	2,161,017	(1,904,733)	Negotiation	Grace Tex International
	5,174,288	2,633,070	2,541,218	2,203,390	(337,828)	Negotiation	Mkm Textile International
	8,394,804	3,018,640	5,376,164	2,203,390	(3,172,774)	Negotiation	Mkm Textile International
	20,009,663	14,155,958	5,853,705	4,245,763	(1,607,942)	Negotiation	Classic Impex
	20,009,663	14,155,958	5,853,705	4,245,763	(1,607,942)	Negotiation	Classic Impex
	20,009,663	14,155,958	5,853,705	4,245,763	(1,607,942)	Negotiation	Classic Impex
	24,011,345	21,640,313	2,371,032	4,245,763	1,874,731	Negotiation	Grace Tex International
	20,009,663	14,155,958	5,853,705	4,245,763	(1,607,942)	Negotiation	Grace Tex International
	19,651,854	17,766,576	1,885,278	3,983,051	2,097,773	Negotiation	Grace Tex International
	20,009,663	14,155,958	5,853,705	4,042,373	(1,811,332)	Negotiation	Grace Tex International
	23,836,345	21,575,563	2,260,782	4,042,373	1,781,591	Negotiation	Classic Impex
	24,261,533	21,532,784	2,728,749	4,042,373	1,313,624	Negotiation	Classic Impex
	5,531,701	4,149,484	1,382,217	84,746	(1,297,471)	Negotiation	Grace Tex International
	1,400,000	104,508	1,295,492	1,229,508	(65,984)	Negotiation	Muhammad Siddique
	6,702,063	5,892,037	810,026	2,627,119	1,817,093	Negotiation	Classic Impex
	5,174,288	2,649,138	2,525,150	2,203,390	(321,760)	Negotiation	Grace Tex International
	1,933,142	1,302,403	630,739	402,025	(228,714)	Negotiation	Abdul Hameed Trading Co.
	4,619,029	3,856,909	762,120	477,878	(284,242)	Negotiation	Abdul Hameed Trading Co.
	7,218,953	4,126,319	3,092,634	477,878	(2,614,756)	Negotiation	Abdul Hameed Trading Co.
	4,434,683	3,728,604	706,079	477,878	(228,201)	Negotiation	Abdul Hameed Trading Co.
	4,873,230	3,662,033	1,211,197	477,878	(733,319)	Negotiation	Abdul Hameed Trading Co.
	4,873,230	3,662,033	1,211,197	477,878	(733,319)	Negotiation	Abdul Hameed Trading Co.
	5,195,541	3,980,182	1,215,359	477,878	(737,481)	Negotiation	Abdul Hameed Trading Co.
	5,195,541	4,060,525	1,135,016	477,878	(657,138)	Negotiation	Abdul Hameed Trading Co.
	2,452,577	1,435,591	1,016,986	364,098	(652,888)	Negotiation	Abdul Hameed Trading Co.
	1,933,142	1,312,575	620,567	364,098	(256,469)	Negotiation	Abdul Hameed Trading Co.
	19,248,998	14,568,193	4,680,805	3,432,203	(1,248,602)	Negotiation	Hasan & Co.
	16,179,120	12,444,630	3,734,490	3,432,203	(302,287)	Negotiation	Hasan & Co.
	16,179,120	12,444,630	3,734,490	3,432,203	(302,287)	Negotiation	Hasan & Co.
	3,898,012	3,021,930	876,082	1,186,441	310,359	Negotiation	Mubashar Brothers
	3,898,012	3,021,930	876,082	1,186,441	310,359	Negotiation	Mubashar Brothers
	3,898,012	3,021,930	876,082	1,186,441	310,359	Negotiation	Mubashar Brothers
	3,898,012	3,021,930	876,082	1,186,441	310,359	Negotiation	Mubashar Brothers
	5,174,288	2,729,477	2,444,811	2,203,390	(241,421)	Negotiation	Classic Impex
	19,248,997	14,798,334	4,450,663	3,432,203	(1,018,460)	Negotiation	Hasan & Co.
	19,248,999	14,798,335	4,450,664	3,432,203	(1,018,461)	Negotiation	Hasan & Co.
	16,179,120	12,641,061	3,538,059	3,432,203	(105,856)	Negotiation	Hasan & Co.
	404,494,142	304,967,473	99,526,669	83,255,725	(16,270,944)		

Description	Cost	Accumulated depreciation	Carrying value	Sales proceeds	(Loss) / gain	Mode of disposal	Purchaser
----- (Rupees) -----							
Vehicle	12,300,000	10,545,942	1,754,058	11,000,000	9,245,942	Company Policy	Mr. Hamza Imran
	8,825,250	5,622,115	3,203,135	6,100,000	2,896,865	Company Policy	Mr. Eliya Hasan Abid
	4,228,933	2,929,804	1,299,129	3,207,453	1,908,324	Company Policy	Mr. Rana Pervez- Employee
	6,330,015	2,712,922	3,617,093	5,639,492	2,022,399	Company Policy	Mr. Bilal Tahir- Employee
	3,409,860	2,618,409	791,451	2,386,902	1,595,451	Company Policy	Mr. Nisar Khan- Employee
	5,522,478	4,642,808	879,670	3,865,734	2,986,064	Company Policy	Mr. Hafeez Ur Rehman
	3,550,120	2,401,359	1,148,761	2,485,084	1,336,323	Company Policy	Mr. Raja Abdul Jabbar- Employee
	8,935,950	6,036,360	2,899,590	7,100,000	4,200,410	Company Policy	IGI General Insurance
	2,241,340	1,650,342	590,998	1,759,452	1,168,454	Company Policy	Mr. Uzair Ahmed- Employee
	<u>55,343,946</u>	<u>39,160,061</u>	<u>16,183,885</u>	<u>43,544,117</u>	<u>27,360,232</u>		

5.1.3 Leasehold and freehold land pertain to the manufacturing facilities having combined area of 147.8 acres (2025:147.8 acres).

5.2 Capital work-in-progress

	Civil works	Plant,machinery and equipments	Vehicles	Markup capitalised	Total
----- (Rupees in '000) -----					
Year ended June 30, 2026					
Balance as at July 1, 2025	512,830	3,740,693	-	19,096	4,272,619
Additions during the year	852,383	4,738,883	5,004	-	5,596,270
Transfers to operating fixed assets	(552,146)	(6,249,110)	-	-	(6,801,256)
Balance as at June 30, 2026	<u>813,067</u>	<u>2,230,466</u>	<u>5,004</u>	<u>19,096</u>	<u>3,067,633</u>
Year ended June 30, 2025					
Balance as at July 1, 2024	492,293	1,111,831	3,215	19,096	1,626,435
Additions during the year	484,825	5,183,998	(3,215)	-	5,665,608
Transfers to operating fixed assets	(464,288)	(2,555,136)	-	-	(3,019,424)
Balance as at June 30, 2025	<u>512,830</u>	<u>3,740,693</u>	<u>-</u>	<u>19,096</u>	<u>4,272,619</u>

6. BIOLOGICAL ASSETS

	Note	2026	2025
----- (Rupees in '000) -----			
Dairy livestock - Mature - Immature		488,804	500,672
		137,383	63,311
	6.1	<u>626,187</u>	<u>563,983</u>
6.1 Reconciliation of biological assets			
Balance as at July 1, 2025		563,983	761,358
Purchases during the year			
Livestock expired		(17,667)	(11,985)
Sale of livestock		(117,948)	(267,161)
Gain on fair valuation of livestock due to:			
- new births		78,315	63,728
- price and age change		119,504	18,043
		<u>197,819</u>	<u>81,771</u>
Balance as at June 30, 2026		<u>626,187</u>	<u>563,983</u>

- 6.2 At June 30, 2026, the Company held 832 mature livestock - including pregnant livestock (2025: 688 mature livestock) able to produce milk and 240 immature livestock (2025: 346 immature livestock) which are being raised to produce milk in the future.
- 6.3 During the year, the Company produced approximately 3,161,509 (2025: 3,459,469) gross litres of milk from mature livestock.
- 6.4 As at June 30, 2026, the Company held 61 breeding bulls (2025:77 breeding bulls).
- 6.5 The valuation of dairy livestock as at June 30, 2026 has been carried out by an independent valuer. In this regard the valuer examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company. Livestock has been valued on the basis of market values of livestock of similar attribute. The valuation is considered to be a level II in the fair value hierarchy due to observable market data other than quoted prices than active markets.
- 6.6 Cost to sell is considered immaterial and has not been taken into account while valuing the biological assets.

7. LONG TERM LOANS

	Note	2026 ----- (Rupees in '000)	2025 -----
- Considered good			
Loan to employees			
Related parties - Key management personnel	7.1	37,433	967
Other employees		15,905	10,932
	7.2	53,338	11,899
Current portion of long term loans	12	(44,453)	(10,432)
		8,885	1,467

- 7.1 The maximum amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2026 was Rs.55 million (2025: Rs. 12.347 million)
- 7.2 These are interest free loans recoverable in monthly instalments over a period of three years. These loans are secured against employees' retirement benefit obligation. These are not discounted to present value as the financial impact is considered immaterial by the management of the company.

8. LONG TERM INVESTMENTS

	Note	2026 ----- (Rupees in '000)	2025 -----
Investments in associates - equity method	8.1	6,930,508	6,518,977

8.1 Investment in associates - equity method

Lucky Core Industries Limited (LCI)	8.2	4,869,540	4,483,383
Lucky Holdings Limited (LHL)	8.3	960	936
Yunus Energy Limited (YEL)	8.4	2,060,008	2,034,658
		6,930,508	6,518,977

- 8.1.1 The Company's investment in Lucky Core Industries Limited (LCI), Lucky Holdings Limited (LHL) and Yunus Energy Limited (YEL) is less than 20% but these are considered associates as the Company has significant influence over the financial and operating policies through representation on the Board of Directors of these companies.

- 8.1.2 The principal place of business of all the associates is located in Pakistan.

8.2 Investment in Lucky Core Industries Limited (LCI) - at equity method

	2026	2025
Number of shares held	33,274,335	6,654,867
Cost of investment (Rupees in '000)	1,341,311	1,341,311
Fair value of investment (Rupees in '000)	7,874,039	10,576,380
Ownership interest	7.21%	7.21%

	2026 ----- (Rupees in '000)	2025 -----
Balance as at July 01	4,483,383	4,084,042
Share of profit	767,752	847,688
Share of other comprehensive (loss) / income	(604)	(2,471)
Dividend received	(380,991)	(445,876)
Balance as at June 30	4,869,540	4,483,383

The financial year end of Lucky Core Industries Limited (LCI) is June 30, 2026. Summarised financial highlights of LCIP and the related share of the Company as at reporting date are as follows:

	2026 ----- (Rupees in '000)	2025 -----
Total assets	111,407,676	104,329,149
Total liabilities	(51,963,084)	(49,336,545)
Net assets	59,444,592	54,992,604
Company's share of net assets	4,285,955	3,964,967
Revenue	112,660,872	119,940,714
Profit for the year	10,648,426	11,757,185
Company's share of profit	767,752	847,688
Other comprehensive loss for the year	(8,380)	(34,269)
Company's share of other comprehensive loss	(604)	(2,471)

8.3 Investment in Lucky Holdings Limited (LHL) - at equity method

	2026	2025
Number of shares held	8,580	8,580
Cost of investment (Rupees in '000)	429	429
Ownership interest	1%	1%
	2026	2025
	----- (Rupees in '000) -----	
Balance as at July 01	936	875
Share of profit	24	61
Balance as at June 30	960	936

The financial year end of LHL is June 30, 2026. Summarised financial highlights of LHL as at reporting date and the related share of the Company are as follows:

	2026	2025
	----- (Rupees in '000) -----	
Total assets	435,533	452,586
Total liabilities	(368,648)	(388,177)
Net assets	66,885	64,409
Company's share of net assets	669	644
Revenue	-	-
Profit for the year	2,416	6,080
Company's share of profit	24	61

8.4 Investment in Yunus Energy Limited (YEL) - at equity method

	2026	2025
Number of shares held	61,136,500	61,136,500
Cost of investment (Rupees in '000)	611,365	611,365
Ownership interest	19.99%	19.99%
	2026	2025
	----- (Rupees in '000) -----	
Balance as at July 01	2,034,658	2,272,770
Share of profit	90,421	369,526
Share of other comprehensive income / (loss)	(3,934)	3,727
Dividend received	(61,137)	(611,365)
Balance as at June 30	2,060,008	2,034,658

8.4.1 The financial year end of YEL is June 30, 2026. Summarised financial highlights of YEL as at reporting date and the related share of the Company are as follows:

	2026	2025
	----- (Rupees in '000) -----	
Total assets	10,945,644	12,249,006
Total liabilities	(712,809)	(2,173,460)
Net assets	10,232,835	10,075,546
Company's share of net assets	2,045,544	2,014,102
Revenue	4,088,954	3,720,743
Profit for the year	452,330	1,848,556
Company's share of profit	90,421	369,526
Other comprehensive income / (loss) for the year	(19,682)	18,642
Company's share of other comprehensive income / (loss)	(3,934)	3,727

8.5 There were no contingencies where the company has been exposed with associated companies.

9. STORES, SPARES AND LOOSE TOOLS

	2026	2025
	----- (Rupees in '000) -----	
Stores	997,408	866,935
Spares	775,165	709,345
Loose tools	4,972	7,070
	1,777,545	1,583,350
Less: Provision for slow moving stores, spares and loose tools	(41,357)	(41,357)
	1,541,993	1,260,887
	1,736,188	1,541,993
Stores in-transit	252,496	558,967
	1,988,684	2,100,960

10. STOCK-IN-TRADE

	2026	2025
	----- (Rupees in '000) -----	
Raw material in		
- hand	5,418,174	10,298,309
- transit	9,320,259	6,241,656
- feed	161,967	88,891
	14,900,400	16,628,856
Work-in-process	2,370,586	2,118,657
Finished goods		
- Yarn	3,752,190	6,645,249
- Knitted fabric	1,057,155	722,858
- Waste	111,969	95,354
- Unprocessed milk	525	1,890
	4,921,839	7,465,351
	22,192,825	26,212,864

11. **TRADE DEBTS**

	2026	2025
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
- Considered good		
Foreign - Secured against LC	1,495,974	1,102,763
Local - Unsecured	4,392,193	3,536,711
Local - Secured against LC	589,268	316,527
	<u>6,477,435</u>	<u>4,956,001</u>
- Considered doubtful		
Local - Unsecured	97	97
Provision for loss allowance	(97)	(97)
	<u>-</u>	<u>-</u>
	<u>6,477,435</u>	<u>4,956,001</u>

11.1 "The Company has recognised a loss allowance of Rs. 0.09 million (2025: Rs. 0.09 million) against all local trade debts.

11.2 The balance includes trade balances outstanding from associated companies as follows:

	2026	2025
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Lucky Textile Mills Limited	-	8,912
Lucky Knits (Private) Limited	-	131,095
	<u>-</u>	<u>140,007</u>

11.3 The maximum amount due from related parties, at the end of any month during the year were Rs. Nil (2025: Rs. 140 million).
The transactions with associated companies are carried on agreed terms.

11.4 Following are the details of debtors in relation to export sales:

		2026	2025
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Jurisdiction	Category		
Asia	Letter of credit	720,667	-
	Contact	-	-
Europe	Letter of credit	-	69,978
	Contract	625,669	540,770
North America	Contract	149,638	492,014
		<u>-</u>	<u>-</u>
Total	Letter of credit	720,667	69,978
	Contract	775,307	1,032,784

11.5 No significant amount of trade debts is overdue / past due.

12. **LOANS AND ADVANCES**

- Unsecured - considered good

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Current portion of long term loans	7	44,453	10,432
Advances to employees		4,594	24,883
Advance to suppliers and contractors		107,763	217,859
Subordinated loan	12.1	40,751	38,214
LC margin		18,271	15,015
		<u>215,832</u>	<u>306,403</u>

12.1 This represents subordinated loan in companies mentioned in Note 12.1.1. The shares will be issued in due course in accordance with the regulatory requirements.

12.1.1 Subordinated loan

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Tricom Solar Power (Private) Limited		31,015	29,013
Yunus Wind Power Limited		9,736	9,201
	12.1.2	<u>40,751</u>	<u>38,214</u>

12.1.2 As part of strategic investments, the Company had given subordinated loan to Tricom Solar Power (Private) Limited and Yunus Wind Power Limited, shares in respect of which will be issued in due course in accordance with the regulatory requirements. Upon expiry of initial 12 months period from previous approval dated April 13, 2018 for the investment, the Company obtained extension from the shareholders in EOGM dated March 20, 2019 for a period of four years or till the Project achieves commercial operations, whichever is later.

13. **OTHER RECEIVABLES**

	2026	2025
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
-Considered good		
Sales tax Refundable including carried forward input tax	1,786,626	2,477,536
Rebate receivable on export sales	85,863	91,752
Claims receivable	27,037	47,283
Others	4,728	3,451
	<u>1,904,254</u>	<u>2,620,022</u>

		2026 ----- (Rupees in '000) -----	2025 -----
-Considered doubtful	Note		
Claims receivable		-	20,000
Others	13.1	5,600	5,600
		5,600	25,600
Provision for doubtful other receivables		(5,600)	(25,600)
		-	-
		1,904,254	2,620,022

13.1 The Company received a demand cum show cause notice for the amount of Rs. 28.22 million from Custom Authorities vide order dated October 19, 2010, deleting their Manufacturing Bond Entry for import of Polyester Staple Fiber (PSF). The Company has paid Rs. 5.60 million under protest against the demand and also made provision for the same amount. Since the goods were imported for re-export, the FBR has rectified the anomaly through S.R.O. 688(I)/2010 dated July 27, 2010. In 2023, the matter has been decided in favour of the Company from the Honorable PHC but has been challenged before the SCP by the department. Management believes that no further provision is required for the remaining amount and the amount so paid shall become refundable.

14. CASH AND BANK BALANCES

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Cash in hand		8,275	9,476
Cash with banks			
- current account	14.1	187,645	66,221
- time deposits	14.2	307,830	7,559
		495,475	73,780
		503,750	83,256

14.1 It includes balances in foreign currency bank accounts equivalent to Rs.12.58 million (2025: Rs. 19.15 million).

14.2 These carry markup at the rates ranging from 2.52% to 11% per annum (2025: 11.38% to 20.85% per annum).

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026 ----- (Number of Shares) -----	2025		2026 ----- (Rupees in '000) -----	2025
6,000,000	6,000,000	Ordinary shares of Rs.10 each fully paid in cash	60,000	60,000
17,437,500	17,437,500	Ordinary shares of Rs.10 each issued as fully paid bonus shares	174,375	174,375
4,592,083	4,592,083	Ordinary shares of Rs. 10 each issued as fully paid in as fully paid Pursuant to amalgamation	45,921	45,921
28,029,583	28,029,583		280,296	280,296

15.1 As at June 30, 2026, Y.B. Holdings (Private) Limited (the Holding Company) hold 19,499,741 (2025: 19,499,741) ordinary shares of Rs. 10 each.

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

16. RESERVES

	2026 ----- (Rupees in '000) -----	2025 -----
Capital Reserves		
Share premium	103,125	103,125
Amalgamation reserves	34,416	34,416
Against long-term Investments, capacity expansion and BMR	16,500,000	16,500,000
	16,637,541	16,637,541
Revenue Reserves		
General reserve	1,000,000	1,000,000
Amalgamation reserves	727,333	727,333
Unappropriated profit	8,086,635	5,265,736
	9,813,968	6,993,069
	26,451,509	23,630,610

16.1 With respect to the transfer of reserves as disclosed under note 16.1 to the annual financial statements for the year ended June 30, 2023, SECP vide their letter No. SMD/PRDD/Comp/(108)/2023 dated February 15,2024, has clarified that the Board of Directors' of the Company may transfer amount from 'revenue reserves' to 'capital reserves' being a reserve not regarded free for distribution by way of dividend.

17. LONG TERM FINANCE

	Note	2026 ----- (Rupees in '000) -----	2025 -----
- Banking companies - secured			
Long term finance facility	17.1	3,833,270	2,849,128
Financing for Renewable Energy	17.2&17.3	782,384	837,507
Temporary economic refinance facility	17.4	586,373	680,952
Less: Current portion of long term finance		(759,924)	(729,389)
		4,442,103	3,638,198

17.1 The Company has entered into a long term finance agreement with commercial banks, with an approved limit of Rs. 3.833 billion (2025: Rs. 2.849 billion). The facility carries a mark-up ranging from SBP Base Rate + 0.10% to 2% payable on a quarterly basis.The Term of this facility is 12 years including 2 years moratorium period.

17.2 The Balance outstanding against Long term finance facility from Related party:

	Note	2026 ----- (Rupees in '000) -----	2025 -----
National Bank of Pakistan		73,703	94,903

17.3 The Company entered into long-term loan agreements with commercial banks under the Renewable Energy Scheme of the State Bank of Pakistan with an approved limit of 0.782 Billion. Facility is to be repaid in 12 years including 2 years moratorium period. These facilities carries mark-up ranging from SBP + 2% to 3% which is payable in arrears on quarterly / semi-annual basis.

17.4 The Company has entered into a temporary economic refinance facility agreement with commercial banks, with an approved limit of Rs. 0.683 billion (June 30, 2025: Rs. 0.816 billion). The facility carries a mark up of SBP Base Rate + 0.50% to 0.75% (June 30, 2025: SBP Base Rate + 0.50% to 0.75%). The tenure of this facility is 12 years including 2 years moratorium period.

The above financing agreements are secured by pari passu charge over plant and machinery of the Company.

18. DEFERRED GOVERNMENT GRANT

		2026	2025
	Note	----- (Rupees in '000) -----	
Deferred grant against temporary economic refinance facility	18.1	96,509	135,159
Current portion of deferred government grant		(22,143)	(27,650)
		<u>74,366</u>	<u>107,509</u>

18.1 Deferred government grant relates to the financing obtained at below market mark-up rates i.e. difference between the fair value and actual proceed of TERF loan obtained under SBP's refinance scheme. It is being amortised over the period of ten years from the date of loan disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.

19. RETIREMENT BENEFIT OBLIGATION

		2026	2025
	Note	----- (Rupees in '000) -----	
Retirement benefit obligation	19.1	<u>1,149,841</u>	<u>1,272,354</u>

19.1 Retirement benefit obligation

The Projected Unit Credit method based on following significant assumptions was used for valuation of the scheme. The basis of recognition together with details as per actuarial valuation are as under:

	2026	2025
Valuation Discount rate	11.75%	14.75%
Salary increase rate (Long term)	13.00%	13.00%
Salary increase rate (Short term)	10.00%	16.00%
Mortality rate	SLIC 2001-05	SLIC 2001-05

19.2 Liability recognised in the statement of financial position

	2026	2025
	----- (Rupees in '000) -----	
Present value of retirement benefit obligation	<u>1,149,841</u>	<u>1,272,354</u>

19.3 Movement in liability during the year

		2026	2025
	Note	----- (Rupees in '000) -----	
Balance as at July 1		1,272,354	1,205,342
Expense recognised in the statement of profit or loss	19.4	520,078	425,257
Total remeasurements gain recognised in the statement of comprehensive income	19.5	(311,365)	(31,937)
Benefits paid		(331,226)	(326,308)
Balance as at June 30		<u>1,149,841</u>	<u>1,272,354</u>

19.4 Expense recognised in the statement of profit or loss

	2026	2025
	----- (Rupees in '000) -----	
Current service cost	405,553	343,117
Interest cost	129,327	152,797
Past service cost	(14,802)	(70,656)
	<u>520,078</u>	<u>425,257</u>

19.5 Total remeasurements recognised in the statement of comprehensive income

	2026	2025
	----- (Rupees in '000) -----	
Actuarial loss / (gain) on liability arising on		
- financial assumptions	(85,125)	65,187
- demographic assumptions	-	(962)
- experience adjustments	(226,240)	(96,163)
	<u>(311,365)</u>	<u>(31,937)</u>

19.6 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

		Increase / (decrease) in defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
	%	----- (Rupees in '000) -----	
Discount rate	1	(12,306)	12,572
Salary growth rate	1	<u>17,684</u>	<u>(17,552)</u>

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at reporting date, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

19.7 The gratuity scheme exposes the Company to the following risks:

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

Salary increase risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual salaries are higher than expectation and impacts the liability accordingly.

Withdrawal risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

19.8 The weighted average duration of defined benefit obligation as at June 30, 2026 is 34.45 years (2025: 33.78 years).

19.9 Expected maturity analysis of undiscounted retirement benefit plans

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Undiscounted payments			
Year 1		347,998	372,795
More than 1 year		968,716	1,085,972
	Note	2026 ----- (Rupees in '000) -----	2025 -----
Infrastructure cess	20.1	1,483,872	-
Current portion of infrastructure cess		(426,339)	-
		<u>1,057,533</u>	<u>-</u>

20.1 SIDC is levied under the Sindh Finance Act, 1994, as amended by the SIDC Act, 2017 (applied retrospectively from July 01, 1994). The levy was upheld by the Sindh High Court on June 04, 2021. On the Company's appeal, the Supreme Court of Pakistan suspended this order on September 01, 2021 and directed 100% bank guarantees pending final decision. Following the 27th Constitutional Amendment (2025), the case was transferred to the Federal Constitutional Court, where it remains pending.

In 2026, the Sindh Government introduced a settlement scheme for withdrawal of SIDC litigation. The Company has executed a settlement deed, under which the SIDC rate is reduced to 0.85% (0% for EFS clearances) from the earlier maximum of 1.85%, with the outstanding liability payable in installments up to 2040.

The settled liability has been recognized at present value in accordance with IFRS 9, resulting in a gain of Rs. 932.05 million which will be charged to profit and loss account over the installment period.

21. DEFERRED TAX LIABILITIES

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Balance as at June 30	21.1	<u>1,091,113</u>	<u>743,934</u>

21.1 Deferred tax liability comprises of taxable / (deductible) temporary differences in respect of following:

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Deferred credits / (debits) arising due to:			
- Accelerated tax depreciation on property, plant and equipment		1,867,344	1,137,940
- Provision against retirement benefit obligation		(425,441)	(234,700)
- Provision against stores, spares and loose tools		(15,374)	(6,949)
- Provision Infrastructure Cess		344,858	-
- Provision against doubtful other receivables		(2,072)	(4,301)
- Gain arising from changes in fair value of livestock		221,656	209,377
- Tax asset on unused tax credit and losses		(1,936,013)	(1,392,154)
- Share of profit from associates		1,036,155	1,034,721
		<u>1,091,113</u>	<u>743,934</u>

21.2 Movement In Deferred tax

Opening Balance	743,934	944,968
Charge/ (Reversal) for the year	232,724	(213,523)
Charge on OCI	114,455	12,489
Closing balance	<u>1,091,113</u>	<u>743,934</u>

22. TRADE AND OTHER PAYABLES

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Creditors		2,673,078	2,192,322
Foreign bills payable		3,380,912	1,787,864
Advance from customers	22.1	74,336	250,383
Accrued liabilities		7,031,123	8,142,538
Withholding income tax		17,776	26,182
Current portion of Infrastructure Cess		426,339	-
Sales tax payable		558,794	176,252
Workers' welfare fund		192,407	188,278
Workers' profit participation fund	22.2	95,582	34,185
Others		<u>129,658</u>	<u>141,732</u>
		<u>14,580,005</u>	<u>12,939,736</u>

22.1 During the year the performance obligation underlying the opening contract liability (advance from customers) of Rs.250.8 million were satisfied in full. Accordingly the said liability was recorded as revenue during the year.

22.2 Workers' profit participation fund

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Balance as at July 01		34,185	-
Provision made during the year	30	158,037	127,986
Interest on funds utilised in business	29	476	-
Payments made during the year		<u>(97,116)</u>	<u>(93,801)</u>
Balance as at June 30		<u>95,582</u>	<u>34,185</u>

23. SHORT TERM BORROWINGS

Banking companies - secured			
Running finance under mark-up arrangements	23.1	11,549,633	10,238,217
Export loan	23.3	867,490	
Import Loan	23.2	4,642,013	3,771,449
Money Market	23.3	-	7,837,541
Export refinance	23.4	5,109,034	4,840,882
		<u>22,168,170</u>	<u>26,688,089</u>

23.1 Facilities for Funded & Non Funded (running finance, import finance, export finance, export refinance, Bank Guarantee and Letter of credit are available from various commercial banks upto Rs. 82.908 billion (2025: Rs. 77.30 billion). For running finance facility, the rates of mark-up range between KIBOR -0.05% to KIBOR + 1.25% per annum (2025: KIBOR + 0.05% to KIBOR + 1.00% per annum). These are secured against hypothecation of stock, receivables and plant and machinery.

23.2 The rate of mark-up on Foreign currency import finance is 4.10% to 6.25% (2025: 5% to 8%).

23.3 The approved limit of Money Market Loan under sub-limit of the facilities mentioned in note 23.1 from various commercial banks at KIBOR -0.05% to 0.20% (2025: KIBOR -5% to 0.20% per annum). These are secured against hypothecation of stock, charge on receivables and plant and machinery.

23.4 The rate of mark-up on export refinance is SBP Base Rate + 0.50% to SBP Base Rate + 1.00% (2025: SBP Base Rate + 0.50% to SBP Base Rate + 1.00%).

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Outstanding guarantees given on behalf of the Company by commercial banks in normal course of business amounting to Rs. 2.19 billion (2025: Rs. 4.74 billion).

24.1.2 In prior years, Sui Northern Gas Pipeline Limited (SNGPL) charged the Company with an amount of Rs. 168 million on account of under billing of gas. The Company lodged a complaint with the Appellate Authority (the Authority) against SNGPL and on January 21, 2010, the Authority partly admitted the plea of the Company and allowed partial relief of Rs. 53.89 million. The Company has paid Rs.113.63 million in prior years. Subsequent to the decision of the Authority, both the Company (to claim additional relief) and SNGPL (against the relief provided) have filed appeals with higher authorities against the decision. During the year the OGRA shows inability to decide the case and mentioned that gas utility court has the jurisdiction to decide the matter in light of the judgement of the Supreme Court of Pakistan. OGRA was unable to decide the case and held that, pursuant to the judgment of the Supreme Court of Pakistan, the matter fell within the jurisdiction of the Gas Utility Court. Subsequently, during the current year, both parties arrived at a mutual settlement and decided not to pursue the matter further. Additionally, the case which was previously filed by SNGPL before the Gas Utility Court has been withdrawn by SNGPL vide order 30/11/2024.

24.1.3 Previously, the Company had filed a suit before the Sindh High Court, challenging the applicability of Gas Infrastructure Development Cess (GIDC) Act, 2011 which was eventually decided upon by the Supreme Court of Pakistan declaring GIDC Act 2011 as invalid that being a fee-imposing enactment, it could not be introduced through Money Bill as a tax.

Thereafter the GIDC Ordinance 2014 was introduced to circumvent the decision of SC. However, in May 2015, the Government passed the GIDC Act 2015.

The Company challenged the GIDC Act, 2015 and filed writ petition in the Peshawar High Court (PHC) challenging the vires and legality of the levy and demand of GIDC including its retrospective application. On May 31, 2017, PHC dismissed the said petition, however, the Company obtained interim relief against the payment of GIDC imposed through monthly bills from PHC on the ground that GIDC is not leviable as the Company has not added GIDC impact in its price and has not collected from its customer. Further, the Company filed Civil Petition for Leave to Appeal (CPLA) in SC, against the adverse judgment of PHC. On August 13, 2020, the SC upheld the legality of GIDC Act, 2015.

Further, the Apex Court in its judgement validated the GIDC Act 2015 which contains Section 8 in particular. Whilst examining Section 8 (2) (1st proviso), the legislature has explicitly stated that the cess shall not be collected from industries where it has not been collected by the Gas companies in terms of GIDC Act 2011 and the GIDC Ordinance 2014. Further, while comparing two categories i.e. industrial and domestic consumers, the Hon'ble Court has specifically stated that GIDC shall be applicable only on those companies which have passed the burden on to its consumers/clients (Clause 37). Management maintains that since the Company has not passed on the burden to its consumers/clients, it is not liable to pay GID Cess, by whatever name charged. Accordingly, the Company filed the review petition in the Supreme Court of Pakistan against the above judgement of SC.

The SC in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SC held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Meanwhile, the Company's writ petition which was pending before the PHC with the plea that the Company did not pass on the GIDC burden to their end consumers and seeking relief under Section 8 (2) of the GIDC Act, 2015, was referred by PHC to OGRA, being the relevant authority, on which OGRA subsequently showed its inability to decide the matter. Accordingly, the Company filed a fresh writ petition before the PHC challenging Section 8(2) of GIDC Act, 2015, which PHC dismissed on June 15, 2022 with the plea of non-maintainability with the directions to approach the right forum. The Company's case is now pending at Trial Court Peshawar. The management maintains that since the Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.

24.1.4 "National Accountability Bureau (NAB) had filed a reference before the Accountability Court- Peshawar on February 2, 2016 where the NAB has alleged that the Company has illegally sold the electricity to Peshawar Electric Supply Corporation (PESCO) at higher rates as compared to purchase price of electricity being supplied to the Company from PESCO. In this regard, the management believes that the said allegations are false, unsubstantiated and unfounded and the case is devoid of merits as the Company sold the electricity after required approvals and at price on which all captive power plants were selling electricity to distribution companies in accordance with approved policy of Government of Pakistan. The Accountability Court in February 23, 2022 declared that the case is not maintainable on account of the amendment made in the NAB Law via National Accountability (Second Amendment Ordinance), 2021 and the Court directed to NAB to initiate the inquiry along with the relevant regulatory authorities in order to determine the realization of alleged colossal financial loss to the government treasury.

Against the decision of Accountability Court, the NAB has filed the appeal before the Peshawar High Court (PHC). Simultaneously, the Company has also filed appeal in PHC against the direction of the Accountability Court where the management believes that Court cannot give any direction to initiate the inquiry against the Company, rather it only needs to decide the case. Both the cases are pending at PHC.

24.1.5 The Income Tax Return of Fazal Textile Mills Limited (FTML) (previously merged with the Company in the year 2015) for Tax year 2013 was amended under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) by the Additional Commissioner Income Revenue (ACIR) vide its order dated March 4, 2014 on account of certain disallowances primarily against Workers Welfare Fund (WWF). The Company filed an appeal against the amended order at Commissioner Inland Revenue (Appeals) (CIRA) and in response of that CIRA allowed some relief to the Company. The Company being dissatisfied with the order of CIRA, filed an appeal at the Appellate Tribunal Inland Revenue (ATIR) which is pending for adjudication. Thereafter, the tax department has selected the said return for Audit proceedings under sections 177 and 214C of the Ordinance. In pursuance to the aforementioned audit, the amended assessment order was further amended by the Deputy Commissioner Inland Revenue (DCIR) making an additions of Rs 1.63 million on account of certain disallowed expenses, levied WWF of Rs. 9.16 million and also restricted tax refundable to the amount of advance tax, thereby reducing it by Rs. 48.89 million. The Company had filed an appeal before CIRA against the said audit proceedings on the grounds that the assessment was prejudicially re-amended without evaluating the current status. The said appeal is pending for adjudication.

The management believes that the aforementioned matters will ultimately be decided in the favour of the Company. Accordingly, no provision is required to be made against the said amounts in these financial statements.

24.1.6 The Assistant Commissioner Inland Revenue (ACIR), Peshawar, passed an assesment order for the Tax Year 2015 dated December 13, 2016 after completion of audit proceedings, ACIR demanded tax amounting to Rs. 2,696 Million. The Company proceeded to file an appeal before the Commissioner Inland Revenue Appeals (CIRA) against the frivolous demand created by the ACIR, where-after the CIRA gave partial relief and reduce the demanded tax to Rs. 462 million. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) for relief of remaining unjustified additions, where ATIR decided the case in favour of the Company on the ground that it lacks audit observation which is the mandatory requirement of the law and therefore allowed the appeal of the Company. Accordingly, the tax department has issued the appeal effect order in favour of the Company.

Currently, the department has filed the Reference application before the Peshawar High Court (PHC) against the decision of ATIR order which is still pending for adjudication.

24.1.7 The Collector of Customs has passed an order dated November 11, 2021 for recovery of the differential amount of advance tax at 4% (5%-1%) related to import of cotton during the period April 2013 to March 2014 alleging that the benefit of reduce rate of advance tax under section 148 of the Inocme Tax Ordinance (the Ordinance) shall be available only to the textile sector involve in the spinning sector onwards and demanded tax of Rs. 71.58 million along with the penalty of Rs. 0.5 million. The Company previously filed appeal before the Custom Tribunal against the said order of Collector of Customs which was decided against the Company. The Company then filed an appeal against the said order of Custom Tribunal before the Sindh High Court (SHC) and the said matter is still pending. The similar nature of case had been decided in favour of the taxpayer by the SHC.

24.1.8 Apart from the legal cases disclosed in these financial statements, no other major cases are pending having impact on the Company's financial statements

24.2 Others

	2026	2025
	----- (Rupees in '000) -----	
Local bills discounted	715,152	153,351
Post-dated cheques in favour of Collector of Customs against imports	14,954,641	10,947,984

24.3 Commitments

	2026	2025
	----- (Rupees in '000) -----	
Letters of credit opened by banks for:		
Plant and machinery	997,970	734,692
Raw materials	7,275,818	4,239,761
Stores and spares	41,737	174,433

25. SALES - net

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Export			
- Yarn		2,351,769	719,416
- Knitted fabric		12,910,411	12,259,698
- Waste		55,084	-
		15,317,264	12,979,114
Commission on direct export sales		(208,246)	(238,369)
	25.1	15,109,018	12,740,745
Indirect export			
- Yarn		791,552	5,305,147
Local			
- Yarn		61,792,542	54,743,284
- Knitted fabric		1,496,773	51,054
- Waste		3,787,027	3,533,546
- Dyeing Services		2,594,900	3,724,475
- CMT		1,024,276	1,025,948
- Raw Material		14,584	9,208
		71,501,654	68,392,662
Commission on local / Indirect export sales		(195,959)	(136,952)
Sales tax		(10,907,032)	(10,496,749)
		60,398,663	57,758,961
Sale of milk		576,130	543,564
Sales tax		(87,884)	(63,284)
		75,995,927	70,979,986

25.1 Included herein exchange loss of Rs. 22.40 million (2025: exchange gain of Rs. 81.079 million) on account of foreign debtors.

26. COST OF SALES

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Opening stock - finished goods		7,465,351	4,318,972
Cost of goods manufactured	26.1	67,499,418	67,800,311
Closing stock - finished goods	10	(4,921,839)	(7,465,351)
		70,042,930	64,653,932
26.1 Cost of goods manufactured			
Raw material consumed	26.1.1	41,147,228	42,438,809
Fuel and power	26.1.2	11,603,561	10,835,683
Salaries, wages and benefits	26.1.3	5,310,316	4,994,521
Stores, spares and loose tools		3,705,509	3,855,172
Depreciation	5.1.1	1,879,587	2,113,313
Packing material		2,093,368	1,980,712
Dyeing, stitching and knitting charges		1,439,096	1,326,365
Insurance		166,670	167,072
Mixing charges		59,374	60,228
Vehicle Running and Maintenance		83,690	67,863
Doubling charges		25,696	21,068
Entertainment		26,415	21,111
Repairs and maintenance		27,235	13,505
Fee and subscriptions		113,947	18,556
Travelling and conveyance		11,735	8,448
Communication		5,846	5,039
Rent, rates and taxes		5,419	4,800
Legal and professional		3,711	2,514
Printing and stationery		296	286
Other manufacturing expenses		42,648	51,533
		67,751,347	67,986,598

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Work-in-process			
Opening stock		2,118,657	1,932,370
Closing stock	10	(2,370,586)	(2,118,657)
		(251,929)	(186,287)
Cost of goods manufactured		67,499,418	67,800,311

26.1.1 Raw material consumed

Opening stock		16,628,856	13,031,887
Purchases - net		39,418,772	46,035,778
Closing stock	10	(14,900,400)	(16,628,856)
		41,147,228	42,438,809

26.1.2 This includes depreciation expense of Rs. 634.688 million (2025: Rs. 350.423 million).

26.1.3 Salaries, wages and benefits include Rs.400.958 million (2025: Rs. 315.4 million) in respect of retirement benefit obligation.

27. DISTRIBUTION COST

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Logistic and related charges		732,126	630,985
Salaries, wages and benefits	27.1	112,545	105,636
Loading and others		88,318	65,138
Travelling and conveyance		38,652	32,826
Bank charges on export documents		46,995	37,250
Fee and subscriptions		17,889	4,177
Vehicles running and maintenance		5,283	5,859
Insurance		223	418
Communication		2,418	4,552
Printing and stationery		-	800
		1,044,449	887,641

27.1 Salaries, wages and benefits include Rs. 23.164 million (2025: Rs. 23.164 million) in respect of retirement benefit obligation.

28. ADMINISTRATIVE EXPENSES

		2026	2025
	Note	----- (Rupees in '000) -----	-----
Salaries, wages and benefits	28.1	454,602	409,303
Depreciation	5.1.1	85,130	32,739
Vehicles running and maintenance		41,516	33,488
Electricity		18,866	22,222
Insurance		13,350	12,604
Communication		15,949	11,756
Travelling and conveyance		8,784	4,490
Fee and subscriptions		21,639	15,402
Legal and professional		5,907	7,226
Printing and stationery		5,955	6,434
IT related services		21,848	6,375
Entertainment		9,747	6,436
Secretarial expenses		1,434	2,096
Repairs and maintenance		9,491	6,296
Auditors' remuneration	28.2	2,780	2,530
Rent, rates and taxes		656	163
Books and periodicals		66	65
Others		5,174	5,684
		<u>722,894</u>	<u>585,309</u>

28.1 Salaries, wages and benefits include Rs. 86.017 million (2025: Rs.68.735 million) in respect of retirement benefit obligation.

28.2 Auditors' remuneration

		2026	2025
	Note	----- (Rupees in '000) -----	-----
Statutory audit, CCG & other certification fees		2,550	2,300
Half yearly review		230	230
		<u>2,780</u>	<u>2,530</u>

29. FINANCE COST

Mark-up / interest on:			
Long term finance		187,312	207,134
Short term borrowings		2,161,774	2,201,521
Workers' profit participation fund	22.2	476	-
		<u>2,349,562</u>	<u>2,408,655</u>
Bank and other financial charges		88,561	115,076
		<u>2,438,123</u>	<u>2,523,731</u>

30. OTHER OPERATING EXPENSES

		2026	2025
	Note	----- (Rupees in '000) -----	-----
Workers' profit participation fund	22.2	158,037	127,986
Workers' welfare fund		4,129	49,797
Loss on disposal of property, plant and equipment - net		-	18,225
Loss on sale of biological assets		76,208	96,086
Exchange loss on foreign currency transactions - net		-	140,021
Others		265	180
		<u>238,639</u>	<u>432,295</u>

31. OTHER INCOME

Income from financial asset

Profit on deposit accounts	30,738
Realised gain on short term investments	-
Interest on subordinated loan	2,537
	<u>33,275</u>

Income from non-financial asset

Scrap sales	136,351
Insurance claim	4,163
Reversal of impairment provision	-
Gain arising from changes in fair value of livestock	197,819
Exchange gain on foreign currency transactions - net	118,253
Gain on disposal of property, plant and equipment - net	67,753
	<u>524,339</u>
	<u>557,614</u>

32. LEVIES AND TAXATION

Levies and taxes

2026	2025
----- (Rupees in '000) -----	-----
1,228,223	1,207,307

32.1 Revenue tax

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

32.2 Income tax-net

Current
- for the year
- prior year

Deferred

2026	2025
----- (Rupees in '000) -----	-----
186,030	1,239,068
(87,120)	(12,609)
98,910	1,226,459
232,723	(213,524)
331,633	1,012,935

32.3 Relationship between taxes, levies and accounting profit

Profit before Levies and taxation

Tax at applicable rate of 29% (2025: 29%)
Tax effect of permanent differences
Tax impact of rate difference on deferred tax
Effect of prior year tax
Tax effect of final tax regime
Super Tax
Others

2026	2025
----- (Rupees in '000) -----	-----
3,856,751	3,599,211
1,118,458	1,043,771
74	52
(182,394)	(43,666)
(87,120)	(12,609)
(173,211)	(186,651)
64,943	374,303
487,473	32,107
1,228,223	1,207,307

32.4 Management has a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation has been provided in these financial statements.

33. **EARNINGS PER SHARE - Basic and Diluted**

There is no dilutive effect on the basic earnings per share of the Company which is based on:

	2026	2025
Profit for the year (Rupees in '000)	2,628,528	2,391,904
Number of ordinary shares	28,029,583	28,029,583
Earnings per share (Rupees)	93.78	85.33

34. **CASH GENERATED FROM OPERATIONS**

	Note	2026	2025
		(Rupees in '000)	
Profit before taxation		3,856,751	3,599,211
Adjustments for:			
Depreciation	5.1.1	2,599,406	2,496,475
(Gain) / loss on disposal of property, plant and equipment	31	(67,753)	18,225
Gain arising from changes in fair value of livestock	31	(197,819)	(81,771)
Loss on sale of animals	30	76,208	96,086
Finance cost	29	2,438,123	2,523,731
Share of profit from associates	8	(858,197)	(1,217,276)
Realised gain on Short term investment	31	-	(196,073)
Profit on deposits	31	(30,738)	(69,133)
Reversal of impairment	31	-	(4,722)
Provision for retirement benefit obligation	19.4	520,078	425,257
Working capital changes	34.1	6,161,969	(5,552,867)
		10,641,277	(1,562,068)
Cash generated from operations		14,498,028	2,037,143

34.1 **Working capital changes**

(Increase) / decrease in current assets

Stores, spares and loose tools	112,276	(691,682)
Stock-in-trade	4,020,039	(6,929,635)
Trade debts	(1,521,434)	106,756
Loans and advances	124,592	(138,476)
Trade deposits and short term prepayments	11,650	(9,148)
Other receivables	(3,938)	397,987
	717,045	(3,938)
	3,464,168	(7,666,123)

Increase / (decrease) in current liabilities

Trade and other payables	2,697,801	2,113,256
Working capital changes	6,161,969	(5,552,867)

35. **REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amount charged in respect of remuneration and other benefits paid to Chief Executive and Executives of the Company were as follows:

	2026		2025	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Remuneration	30,000	178,815	30,000	152,258
Bonus	2,500	14,669	2,500	11,931
Other benefits	2,500	13,147	2,500	10,309
	35,000	206,631	35,000	174,498
	(Numbers)			
Persons	1	18	1	18

35.1 The Company also provides vehicles for use to Chief Executive and Executives as per Company policy.

35.2 No remuneration has been paid to Directors of the Company except for meeting fee of Rs.3.75 million (2025: Rs. 2.12 million).

36. **PRODUCTION CAPACITY**

	Note	2026	2025
		(Rupees in '000)	
Spinning Mill			
Spindles installed (Number)		359,552	386,516
Shifts worked per day (Number)		3	3
Days worked (Number)		365	365
Shifts worked (Number)		1,095	1,095
Spindles worked (Number)		385,773,467	401,194,680
Installed capacity after conversion into 20's (Kgs)		171,030,151	172,936,313
Actual production after conversion into 20's (Kgs)		167,579,427	163,930,501
Actual production (Kgs)		88,811,796	87,279,852
Knitting machines installed (Number)		12	12
Installed capacity (Kgs)		1,485,000	1,485,000

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc.

The knitting capacity has not been used during the year because the Company outsourced its knitting production in order to achieve lower cost of production.

Actual production varies based on market demand.

37. **NUMBER OF EMPLOYEES**

	2026			2025		
	Factory	Others	Total	Factory	Others	Total
	(Number)					
- At June 30	3,518	157	3,675	4,109	146	4,255
- Average during the year	3,522	156	3,678	4,115	145	4,260

38. **RELATED PARTY**

Transactions between the Company and the related parties are carried out as per agreed terms duly approved by board of directors. Transactions with related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 35 are as follows:

Name of Related Party	Basis of Relationship	share-holding %	Nature of Transaction	2026	2025
				(Rupees in '000)	
Y.B. Holdings (Private) Limited	Holding Company	-	Reimbursement of expenses to the Company	1,880	3,499
Lucky Core Industries Limited	Associate	7.21%	Purchase of fiber	2,440,073	2,212,429
			Purchase of Milk Replacer	8,785	-
			Purchase of Berga Fat	3,203	4,329
			Purchase of Frozen Semen	5,177	642
			Purchase of Dyes & Chemicals	217,966	38,261
			Dividend received	380,991	445,876
Yunus Energy Limited	Associate	19.99%	Reimbursement of expenses to the Company	-	327
			Dividend received	61,137	611,363
Lucky Cement Limited	Associated Company	-	Purchase of cement	81,310	37,363
			Reimbursement of expenses to the Company	1,278	2,958
Lucky Knits (Private) Limited	Associated Company	-	Yarn sold	2,654,038	4,083,127
			Dyeing Services	1,371,197	2,218,889
			Purchase of Building and machinery	373,162	480,000
			Purchase of goods and services	131,046	157,387
			Sale of fabric	1,222,986	-
			Reimbursement of expenses to the Company	-	892
Yunus Textile Mills Limited	Associated Company	-	Yarn sold	2,068,295	650,938
			Sale of Comber Noil	17,534	183,506
			Sale of Raw Material	-	770
			Purchase of Raw Material	-	4,623
			Reimbursement of expenses to Company	-	909
Lucky Textile Mills Limited	Associated Company	-	Yarn sold	634,705	468,247
			Sale of fabric	45,466	43,266
			Sale of Comber Noil	960,035	844,345
			CMT charges	869,573	869,447
			Reimbursement of expenses to Company	28,125	28,437
			Processing charges	2,026	-
			Dyeing Services rendered	1,236	5,878
			Purchase of store item	352	-
			Sale of Raw Material	-	66
Lucky Energy (Private) Limited	Associated Company	-	Purchase of electricity / steam	4,117,938	4,327,048
			Reimbursement of expenses to the Company	10,044	2,171
Tricom Solar Power (Private) Limited	Associated Company	-	Interest income on subordinated loan	2,002	2,683
Yunus Wind Power Limited	Associated Company	-	Interest income on subordinated loan	535	723
Lucky Motor Corporation Limited	Associated Company	-	Purchase of mobile phones	-	1,450
			Purchase of Vehicle	290,438	-
Lucky Landmark (Pvt) Limited	Associated Company"	-	Sale of vehicle	-	2,825
Lucky Investments Limited	Associated Company	-	Reimbursement of Expenses to the Company	-	38
National bank of Pakistan	Associated Company	-	Markup payment	2,079	2,609
			Loan repayment	21,200	21,200

38.1 Associate / Associated Companies comprise of related parties due to common directorship.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

39.1 Financial instruments by category

	2026	2025
	(Rupees in '000)	
Financial assets at amortised cost		
Loans to employees	53,338	11,899
Long term deposits	72,032	72,668
Trade debts	6,477,435	4,956,001
Loans and advances	45,345	63,097
Other receivables	117,628	142,486
Cash and bank balances	503,750	83,256
	7,269,528	5,329,407
Financial liabilities at amortised cost		
Long term finance	5,202,027	4,367,587
Trade and other payables	13,214,771	12,264,456
Unclaimed dividend	31,987	32,273
Accrued mark-up	466,547	540,843
Short term borrowings	22,168,170	26,688,089
Infrastructure Cess	1,483,872	-
	42,567,374	43,893,248

39.2 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

39.2.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans, advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	(Rupees in '000)	
Loan to employees	53,338	11,899
Long term deposits	72,032	72,668
Trade debts	6,477,435	4,956,001
Loans and advances	45,345	63,097
Other receivables	117,628	142,486
Bank balances	495,475	73,780
	7,261,253	5,319,931

The trade debts are due from foreign and local customers for export and local sales respectively. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are secured against their gratuity balances.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of Rs. 0.09 million (2025: Rs. 0.09 million) against all local trade debts . Other trade debts are not past due as of balance sheet date.

39.2.2 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

June 30, 2026	Within 1 year	2 - 5 years	More than 5 years	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Long term finance	782,067	3,429,585	990,375	5,202,027
Trade and other payables	13,214,771	-	-	13,214,771
Unclaimed dividend	31,987	-	-	31,987
Accrued mark-up	466,547	-	-	466,547
Short term borrowings	22,168,170	-	-	22,168,170
Infrastructure Cess	426,339	544,576	512,957	1,483,872
	37,089,881	3,974,161	1,503,332	42,567,374

June 30, 2025	Within 1 year	2 - 5 years	More than 5 years	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Long term finance	757,039	2,850,381	760,167	4,367,587
Trade and other payables	12,264,456	-	-	12,264,456
Unclaimed dividend	32,273	-	-	32,273
Accrued mark-up	540,843	-	-	540,843
Short term borrowings	26,688,089	-	-	26,688,089
	40,282,700	2,850,381	760,167	43,893,248

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes short term borrowings and discounting of foreign receivables. Total unavailed facility balances as at June 30, 2026 are as reported in note 22.1 to these financial statements.

39.2.3 **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026 the Company is not exposed to price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	2026	2025
	----- (Rupees in '000) -----	
Variable rate instruments		
Financial liabilities		
- KIBOR / SBP base rate	27,466,706	31,190,835

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in KIBOR / SBP base rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 274.67 million (2025: Rs. 311.91 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as in previous year.

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 where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. As at reporting date, the financial assets and liabilities exposed to currency risk are as follows:

	2026	2025	2026	2025
	----- (USD) -----		----- (Rupees in '000) -----	
Trade debts	5,358,919	3,888,444	1,495,974	1,102,763
Foreign currency bank balances	45,162	67,428	12,580	19,156
Foreign bills payable	(12,137,547)	(6,293,443)	(3,380,912)	(1,787,864)
Import loan	(16,664,917)	(13,273,306)	(4,642,013)	(3,771,449)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	2026	2025	2026	2025
US Dollars to PKR	278.99	279.5	278.55 / 278.05	284.10 / 283.6

As at June 30, 2026, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower / higher by Rs. 651.44 million (2025: Rs. 443.74 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in previous year.

40. **FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1**
Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2**
Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3**
Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026, the Company has no financial instruments that falls into any of the above category except for biological assets which are classified in level 2 above.

There were no transfers between Level 1 and 2 in the year.

CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratio as at 30 June 2026 was as follows:

	2026	2025
	(Rupees in '000)	
Total Borrowings	27,466,706	31,190,835
Cash and bank balances	(503,750)	(83,256)
Net Debt	26,962,956	31,107,579
Total Equity	26,731,805	23,910,906
Total Capital	53,694,761	55,018,485
	50%	57%
Gearing Ratio		

OPERATING SEGMENTS

Basis of segmentation

A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Company is organised into the following two operating segments:

- Spinning segment: manufacturing and sale of yarn;
- Knitting segment: manufacturing and sale of knitted bedding products; and
- Unallocated segments includes production and sale of milk and Dyeing Services

Management monitors the operating results of the above-mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from the statement of profit or loss in these financial statements. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. All non current assets of the Company as at June 30, 2026 are located in Pakistan.

Liabilities are incurred for the Company as a whole and are not segment-wise reported to the Board of Directors. All the unallocated (including dairy segment) results and assets are reported to the Board of Directors at entity level. The following are the reportable segments as per IFRS 8 'Operating Segments', the operating results information and asset information regarding operating segments for the respective years as at reporting date are as follows:

42.1	2026				2025			
	Spinning	Knitted bedding products	Unallocated	Total	Spinning	Knitted bedding products	Unallocated	Total
	(Rupees in '000)							
Segment Revenues	59,099,122	14,209,491	2,687,314	75,995,927	55,033,875	12,309,496	3,636,615	70,979,986
Export	2,385,953	12,723,065	-	15,109,018	710,412	12,030,333	-	12,740,745
Indirect export	670,807	-	-	670,807	4,488,598	-	-	4,488,598
Local	56,042,362	1,486,426	2,687,314	60,216,102	49,834,865	279,163	3,636,615	53,750,643
Profit Before Tax	2,188,391	1,394,217	274,143	3,856,751	2,142,837	946,485	509,889	3,599,211
Finance Cost	1,625,915	13,521	798,687	2,438,123	1,452,665	11,310	1,059,755	2,523,730
Depreciation	2,128,012	66,078	405,316	2,599,406	1,774,750	61,324	660,401	2,496,475
Segment Assets								
Property, plant and equipment	22,501,945	1,600,806	6,806,045	30,908,796	20,431,520	667,679	6,520,738	27,619,937
Other non-current assets	79,176	-	7,558,436	7,637,612	79,087	-	7,078,012	7,157,099
Current assets	28,997,373	4,248,985	928,615	34,174,973	31,044,411	4,057,273	1,239,770	36,341,454
Other non-current Liabilities	6,942,948	368,813	503,195	7,814,956	4,896,064	179,644	686,287	5,761,995
Current Liabilities	24,058,354	3,824,087	10,292,179	38,174,620	27,842,069	3,504,094	10,099,422	41,445,585

Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities

42.2.1 Net Turnover	2026	2025
	(Rupees in '000)	
Total net turnover for reportable segments - note 25	83,929,017	78,454,145
Elimination of inter-segment net turnover - note 25	(7,933,090)	(7,474,159)
Total net turnover	75,995,927	70,979,986
42.2.2 Cost of sales		
Total cost of sales for reportable segments - note 26	77,976,020	72,128,091
Elimination of inter-segment purchases - note 26	(7,933,090)	(7,474,159)
Total cost of sales	70,042,930	64,653,932

	2026	2025
	----- (Rupees in '000) -----	
Total assets for reportable segments	57,428,285	56,441,260
Other unallocated amounts	15,293,096	14,838,516
Total assets	<u>72,721,381</u>	<u>71,118,486</u>

42.2.3 Liabilities

	2026	2025
	----- (Rupees in '000) -----	
Total liabilities for reportable segments	35,194,202	36,421,871
Unallocated liabilities	10,795,374	10,785,709
Total liabilities	<u>45,989,576</u>	<u>47,207,580</u>

43. SHARIAH DISCLOSURE

		June 30, 2026 (Audited)			June 30, 2025 (Audited)		
		----- (Rupees in '000) -----					
	Note	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
Assets							
Bank deposits, bank balances, and TDRS	14	43,652	71,098	503,750	73,050	10,206	83,256
Long term investments		-	6,930,508	6,930,508	-	6,518,977	6,518,977
Liabilities							
Long-term loans	17&18	4,025,356	1,273,180	5,98,536	4,179,640	323,106	4,502,746
Short-term financing	23	1,508,987	20,659,183	22,168,170	15,507,751	11,180,338	26,688,089
Accrued interest / markup		58,181	408,366	466,547	325,086	215,757	540,843
		June 30, 2026 (Audited)			June 30, 2025 (Audited)		
		----- (Rupees in '000) -----					
Statement of profit or loss							
Revenue earned from a Shariah-compliant business segment	25	-	75,995,927	75,995,927	-	70,979,986	70,979,986
Scrap sales	31	-	136,351	136,351	-	118,751	118,751
Gain / (loss) on disposal of operating fixed assets	31	-	67,753	67,753	-	(18,225)	(18,225)
Mark-up on short and long term financing	29	675,198	1,673,888	2,349,086	1,643,315	765,340	2,408,655
Discounting charges on receivables	29	67,982	-	67,982	86,823	-	86,823
Interest earned on sub-ordinated loan	31	2,537	-	2,537	3,406	-	3,406
Insurance claim	31	4,163	-	4,163	11,001	-	11,001
Profit earned from bank deposits, Bank balances and TDRs	31	24,272	6,466	30,738	69,133	-	69,133
Share of profit from Associate	8	-	858,197	858,197	-	1,217,276	1,217,276
Exchange gain / (loss) on foreign currency transactions - net	31	-	118,253	118,253	-	(140,021)	(140,021)
Gain arising from changes in fair value of livestock	6	-	197,819	197,819	-	81,771	81,771

Relationship with Shariah Compliant financial institutions

The company has obtained short term borrowing and long term finances, and has maintained bank balances with shariah compliant banks

Bank	Nature of Facility
Faysal Bank limited	Bank Deposits, Long-term & Short-term Financing
Bank Al Habib Limited	Bank Deposits, Long-term & Short-term Financing
Habib Bank Limited	Bank Deposits, Long-term & Short-term Financing
Bank Al Falah Limited	Bank Deposit & Short Term financing
Meezan Bank Limited	Bank Deposit & Short Term financing
Bank Islami Limited	Bank Deposits, Long-term & Short-term Financing
Bank of Khyber Limited	Bank Deposit & Short Term financing
Bank of Punjab	Bank Deposits, Long-term & Short-term Financing
Pak Kuwait Investment company	Bank Deposits, Long-term & Short-term Financing
Al Barakah Bank Limited	Bank Deposit & Short Term financing
Allied Bank Limited	Bank Deposits, Long-term & Short-term Financing
Askari Bank Limited	Bank Deposit & Short Term financing
United Bank Limited	Bank Deposits, Long-term & Short-term Financing
Standard Chartered Bank limited	Bank Deposit & Short Term financing
Dubai Islamic Bank limited	Bank Deposits, Long-term & Short-term Financing

44. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

45. GENERAL

These financial statements have been rounded off to the nearest thousand rupees.

The Board of Directors proposed a final dividend for the year ended June 30, 2026 of Rs. 5 per share (2025: Rs. Nil per share) amounting to Rs. 140.15 million (2025: Rs.Nil).

These financial statements were authorised for issue on August 04, 2026 by the Board of Directors of the Company.



MUHAMMAD ALI TABBA
Chairman



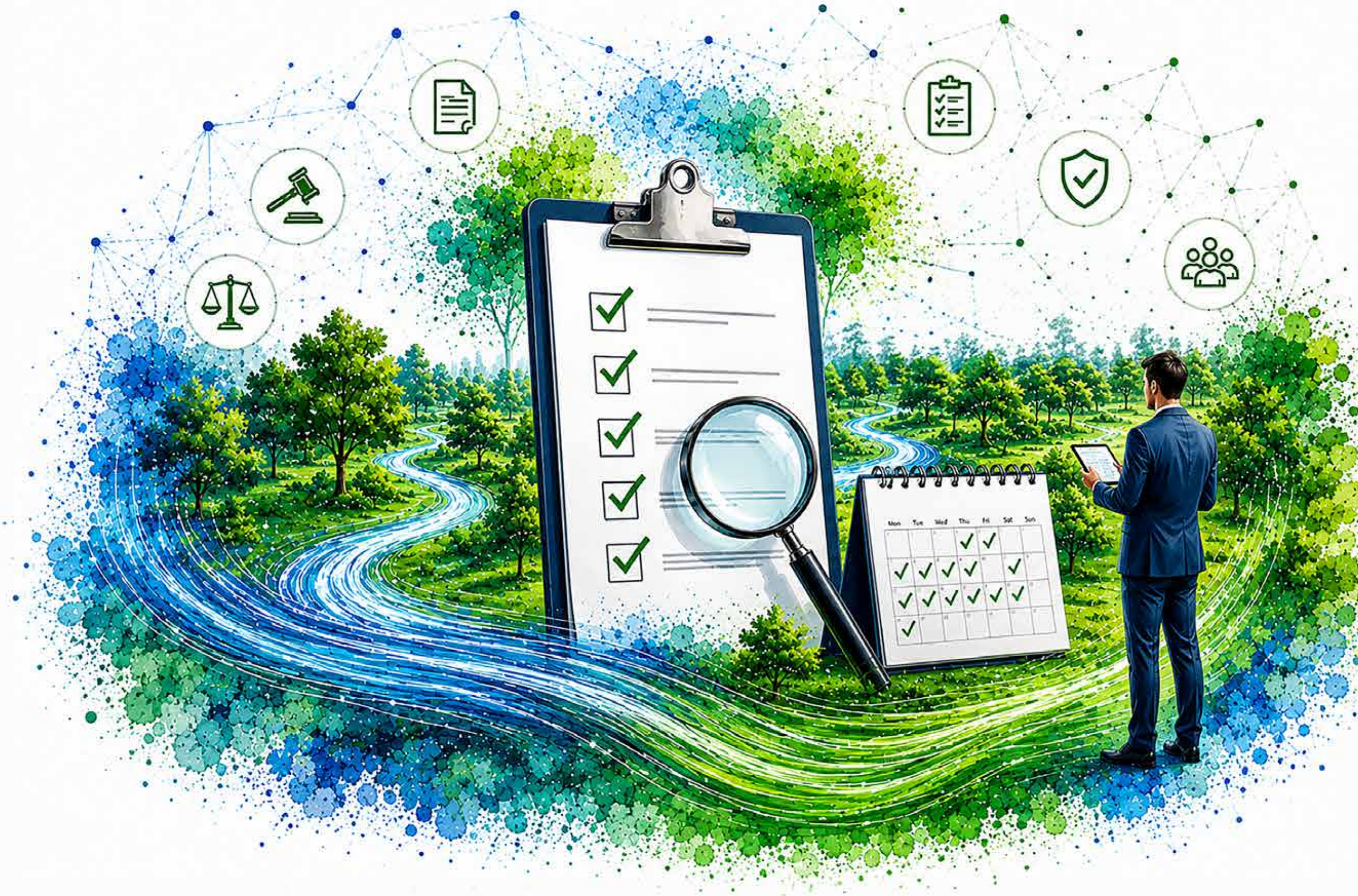
MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

threads of purpose

266	Pattern of Shareholding
268	Notice of 39th Annual General Meeting
271	Statement Under Section 134(3) of the Companies Act, 2017
273	Best Corporate Reporting Checklist - 2025
283	Annexure
284	Glossary
287	Form of Proxy
289	Form of Proxy - Urdu



Pattern of Shareholding

As at June 30, 2026

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
1152	1	100	40,764
1017	101	500	256,546
425	501	1000	336,489
340	1001	5000	736,227
48	5001	10000	383,276
13	10001	15000	152,714
12	15001	20000	221,831
5	20001	25000	112,577
3	25001	30000	81,800
4	30001	35000	128,136
2	35001	40000	80,000
5	50001	55000	253,533
3	70001	75000	222,647
1	95001	100000	100,000
1	105001	110000	106,423
1	120001	125000	120,711
1	155001	160000	159,247
1	195001	200000	196,803
1	330001	350000	331,675
1	360001	365000	362,121
1	385001	390000	388,738
1	525001	530000	529,194
1	560001	565000	563,522
1	590001	600000	597,985
1	730001	735000	730,991
1	1335001	1340000	1,335,892
1	19495001	19500000	19,499,741
3,043			28,029,583

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage (%)
A) Director and Spouse(s)			
Mr. Muhammad Ali Tabba	1	3,173	0.01132
Mr. Muhammad Sohail Tabba	1	4,744	0.01692
Mr. Jawed Yunus Tabba	1	4,744	0.01692
Mr. Muhammad Hassan Tabba	1	500	0.00178
Mr. Ibrahim Sohail Tabba	1	500	0.00178
Syed Muhammad Shabbar Zaidi	1	500	0.00178
Mr. Moin M. Fudda	1	500	0.00178
Ms. Fauzia Hasnain	1	500	0.00178
B) Associated Companies, undertaking and related parties			
Y. B. Holdings (Private) Limited	1	19,499,741	69.57
C) Executives	-	-	-
D) Public Sector Companies and Corporations	-	-	-
E) Banks, NBFC, Insurance, Joint Stock Companies, Pension Funds, Mudarbas, Charitable Trusts, REIT & FMCG	49	1,928,465	6.88
F) Mutual Funds	2	162,184	0.58
G) General Public			
a - Local	2952	6,396,106	22.82
b -Foreign	29	26,191	0.09
Foreign Companies	1	562	0.00
Others	1	1,173	0.00
Total	3,043	28,029,583	100.00

Notice of 39th Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting (the “AGM”) of Gadoon Textile Mills Limited (the “Company”) will be held on Monday, September 28, 2026 at 10:30 a.m., at the registered office of the Company at 200-201, Gadoon Amazai Industrial Area, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa and through video link to transact the following business:

ORDINARY BUSINESS:

- 1. To confirm minutes of the Thirty-Eight (38th) AGM of the Shareholders of the Company held on Friday, September 26, 2025.
- 2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2026, together with the Chairman’s Review, Directors’ and Auditor’s report thereon.
- 3. To approve the final cash dividend @ 50% i.e., Rs.5/- per ordinary share for the year ended June 30, 2026 as recommended by the Board of Directors.
- 4. To appoint auditors and fix their remuneration for the year ending June 30, 2027. The present Auditors M/s. Yousuf Adil, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

- 5. To consider and, if deemed fit, pass the following resolutions, as special resolutions, to ratify and approve (as the case may be) related party transactions / arrangements conducted / to be potentially conducted by the Company, in terms of Sections 207 and / or 208 of the Companies Act (the “Act”) (to the extent applicable), with or without modification:

RESOLVED THAT the transactions carried out by the Company with different related parties during the year ended June 30, 2026, as disclosed in note 38 of the financial statements of the Company for the said period, be and are hereby ratified and confirmed.

FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements and / or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, investments in mutual funds, receipt or payment of dividends or availing or rendering of services with different related parties from time to time to the extent of Rs. 25 billion to be undertaken from time to time during the financial year ending on June 30, 2027. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board of Directors of the Company (irrespective of the composition of the Board), including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions.

FURTHER RESOLVED THAT the related party transactions, for the year ending on June 30, 2027, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation.

OTHER BUSINESS:

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

THE STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE ACT, COVERING THE ABOVE-MENTIONED SPECIAL BUSINESSES IS ANNEXED WITH THE NOTICE BEING DISPATCHED TO THE MEMBERS.

By order of the Board



FUAD ZAKARIA BHURI
Company Secretary
Karachi: September 5, 2026

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from Monday, September 21, 2026 to Monday, September 28, 2026 (both days inclusive). Transfer request received in order at our Share Registrar/Transfer agent, CDC Share Registrar Services Limited (the “CDCSRSL”), CDC House, 99-B, S.M.C.H. Society, Main Shahrāh-e-Faisal, Karachi 74400, at the close of business on Friday, September 18, 2026 will be treated in time for the purpose of attending, voting at AGM and the above entitlement.

2. ELECTRONIC TRANSMISSION OF ANNUAL REPORT 2026 AND NOTICE OF AGM

In compliance with section 223(6) of the Act and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Company has electronically transmitted the Annual Report, 2026 through email to shareholders whose email addresses are available with the Company’s Share Registrar the CDCSRSL. In those cases, where email addresses are not available with the CDCSRSL, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Shareholders are requested to kindly provide their valid email addresses (along with a copy of valid CNIC) to the CDCSRSL if the Member hold shares in physical form or, to the Member’s respective Participant/Investor Account Services, if shares are held in book entry form. The copy of the financial statements of can be accessed through the following weblink and QR enabled code:



<https://gadoontextile.com/financial-reports/#annual-reports>

3. PARTICIPATION IN THE MEETING

- i) All shareholders of the Company shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the representative shall be produced at the time of the meeting.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote in at the meeting.

For Appointing Proxies

- i) A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid. Proxy must be a member of the Company.
- ii) Instrument appointing a proxy must be received at the Registered Office of the Company duly signed at least 48 hours before the time of the meeting.
- iii) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- iv) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- v) Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

4. PARTICIPATION IN AGM THROUGH VIDEO LINK

Pursuant to circular 4 of 2021 issued by SECP, shareholders who wish to participate virtually in the AGM are requested to share below information at agm_2026@gadoontextile.com at least seven days prior to the date of the meeting.

Name of Shareholder	CNIC Number	Folio / CDC Account Number	Registered email Address	Cell Number

Video conference link details and login credentials shall be shared with those shareholders whose information are received through their registered e-mail address within specified time. Furthermore, the said facility shall be login from the registered email address only.

5. **PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E-DIVIDEND MECHANISM)**

In accordance with Section 242 of the Act, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their complete bank details along with 24-digit International Bank Account Number (“IBAN”) directly to our share registrar (for physical shares) or to their respective participant/broker (for CDS shares) as the case may be for the dividends which are unclaimed till date. Shareholders are advised to ensure that title of bank account must be in the name of the shareholder. The subject Form is available at Company’s website i.e. <http://gadoontextile.com/investor-information/>. The Company has already communicated through its letters addressed to the shareholders individually along-with newspapers publications requesting to provide IBAN.

6. **WITHHOLDING TAX ON DIVIDEND**

Pursuant to the provisions of Section 150 of the Income Tax Ordinance, 2001 the rates of deduction of Income tax from dividend payments will be as follows:

i)	Rate of tax deduction for persons who are appearing in the active taxpayers list:	15%.
ii)	Rate of tax deduction for persons who are not appearing in the active taxpayers list:	30%.

All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on Federal Board of Revenue (FBR) website and if required take necessary actions for inclusion of their name in ATL. In case a person's name does not appear in the ATL, the applicable tax rate will be increased by hundred percent.

Members seeking exemption from deduction of income tax or those who are eligible for deduction at reduce rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

- 6.1 For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on Active and In-active status whereby tax on each joint-holder shall be deducted on the gross amount of dividend amount determined by bifurcating the shareholding of each joint holder on equal proportion except where the shareholding proportion is pre-defined as per the records of the Company’s share registrar. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

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

7. **NOTIFY THE CHANGES IN ADDRESSES OF SHAREHOLDERS**

The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar/transfer agent.

8. **SUBMISSION OF COPIES OF CNIC (MANDATORY)**

Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company’s Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the dividend unclaimed till date, under the provisions of Section 243 of the Act which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

9. **AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY’S WEBSITE**

The audited financial statements of the Company for the year ended June 30, 2026 have been placed on the website of the Company <http://gadoontextile.com/investor-information/>.

10. **REQUIREMENT OF COMPANIES (POSTAL BALLOT) REGULATIONS 2018**

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Act, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

11. **UNCLAIMED DIVIDENDS AND / OR SHARES**

As per the provision of section 244 of the Act, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. A notice in this respect was sent to shareholders dated January 31, 2018 and the final notice was published in the newspapers dated May 02, 2018.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company on priority to claim their outstanding dividend amounts and/or undelivered share certificates.

12. **DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS**

In accordance with the requirement of section 72 of the Act, 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 this Act.

In this regard, a notice was sent dated June 17, 2021 to the shareholders of the Company holding physical shares wherein detailed guidelines were provided for the shareholder to open the CDC sub-account with any of the broker or investor account directly with CDC to place their physical shares into scrip-less form. This will facilitate the shareholders to streamline their information in members’ register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements.

13. **PROHIBITION ON GRANT OF GIFTS TO SHAREHOLDERS**

The Securities and Exchange Commission of Pakistan (the “SECP”), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/take-away packages) in any form or manner, to Shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017
Pertaining to Agendas of Special Business

This statement sets out the material facts pertaining to the special business items to be transacted at the AGM of the Company to be held on September 28, 2026.

Agenda Item No. 5

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members’ approval under Sections 207 and / or 208 (to the extent applicable) of the Act, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some / majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities / parties, and to promote transparency, an approval from the members was sought during the 39th AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2026, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 38 to the financial statements for the year ended June 30, 2026. Such transactions were to be placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

The Company carries out transactions and enters into arrangements with its related parties primarily on an arm’s length basis as per the approved policy with respect to ‘transactions with related parties’ in the normal course of business. All transactions / arrangements entered into with related parties require the periodic review of the Board Audit Committee (the “BAC”), which is chaired by an independent director of the Company. Upon the review and recommendation of the BAC, such arrangements / transactions are placed before the Board of Directors for approval.

Transactions entered into with the related parties include, but are not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, investments in mutual funds, receipt or payment of dividends or availing or rendering of services.

The nature of relationship with these related parties has also been indicated in Note 38 to the financial statements of the Company for the year ended June 30, 2026. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2026.

BCR (Best Corporate Reporting) Checklist - 2025

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending on June 30, 2027. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending on June 30, 2027 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending on June 30, 2027 shall be deemed to have been approved by the members.

The members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out. The transactions that may be carried out by the Company include, but are not limited to, the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, investments in mutual funds, receipt or payment of dividends or availing or rendering of services.

The related parties include, but are not limited to, the following:

1	Lucky Cement Limited	2	Lucky Core Industries Limited
3	Lucky Energy (Private) Limited	4	Lucky Investments Limited
5	Lucky Knits (Private) Limited	6	Lucky Landmark (Private) Limited
7	Lucky Motor Corporation Limited	8	Lucky Textile Mills Limited
9	National Bank of Pakistan	10	Tricom Solar Power (Private) Limited
11	Y. B. Holdings (Private) Limited	12	Yunus Energy Limited
13	Yunus Textile Mills Limited	14	Yunus Wind Power Limited

The members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the year ending on June 30, 2027, however, the members are requested to authorize the Board of Directors to carry out the transactions / arrangements to the extent of Rs.25 billion to be undertaken from time to time for the period ending on June 30, 2027. The Company will present the actual figures for subsequent ratification and confirmation by the members, at the next AGM. Furthermore, the Company and the Board continuously serve to protect the interests of the shareholders of the Company and the said transactions are entered into in order to benefit the Company and its stakeholders.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.

S.No.	Statement of Clause	Page No.
01	Organizational Overview and External Environment	004
1.01	Mission, vision, code of conduct, ethical, principal and core values.	026-027
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	007
1.03	Geographical location and address of all business units including sales units and plants.	012
1.04	The legislative and regulatory environment in which the company operates.	046
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	029-037
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	028
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	038
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	040
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	040
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	042-043
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization’s response. b) The effect of seasonality on business in terms of production and sales.	044-045 046
1.13	The legitimate needs, interests of key stakeholders and industry trends.	046 & 202
1.14	SWOT Analysis of the company.	048
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	047
1.16	History of major events.	050-051
1.17	Details of significant events occurred during the year and after the reporting period.	052-053

S.No.	Statement of Clause	Page No.
02	Strategy and Resource Allocation	040
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	056-057
2.02	Resource allocation plans to implement the strategy. Resource mean ‘Capitals’ including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	056-057
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	058
2.04	Company’s strategy on market development, product and service development.	058
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	058
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	056 - 057
2.07	The linkage of strategic objectives with company’s overall mission, vision and objectives.	059
2.08	Board’s statement on the internal controls including IT controls of the company.	059
2.09	Board’s statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	059
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	059
03	Risks and Opportunities	046
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	064-066
3.02	Company’s robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	066
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	062
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	064-066
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company’s strategy for monitoring and mitigating these risks (if any).	069

S.No.	Statement of Clause	Page No.
04	Sustainability Reporting and Corporate Social Responsibility (CSR)	056
4.01	Disclosure of the role of the Board to address the company’s sustainability risks and opportunities, as required under the recent amendments of the SECP ‘Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company. c) Disclosure of company’s sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. d) Boards are encouraged to adopt of the SECP’s ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	072 073 072 072
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability: - Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; - Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project. - Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; - Information on consumption and management of materials, energy, water, emissions and waste.	074 074 075 075
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	076 076
4.04	Board’s statement for the adoption of CSR best practices including Board’s commitment to promote CSR and how the company’s sustainable practices can affect the financial performance of the company.	076
4.05	Highlights of the company's performance, policies, initiatives for CSR.	078 - 083

S.No.	Statement of Clause	Page No.
05	Governance	088
5.01	Board composition: a) Leadership structure of those charged with governance; b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.; e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	016 - 024
5.02	A brief description about role of the Chairman and the CEO.	124
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	124
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	090 - 091
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	124
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	124
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	124
5.08	Details of formal orientation courses for directors.	125
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	125
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	125
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	125 255-256

S.No.	Statement of Clause	Page No.
5.12	Disclosure of Board's Policy on the following significant matters: a) Risk Management and internal control policies. b) Disclosure of director's interest in significant contracts and arrangements. c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. e) Security clearance of foreign directors. f) Board meetings held outside Pakistan. g) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Diversity, Equity & Inclusion (DE&I) policy; and • Employee engagement /feedback. h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. i) Communication with stakeholders. j) Dividend policy. k) Investors' relationship and grievances. l) Employee's health, safety and protection. m) Whistle blowing policy n) anti-harassment policy to safeguard the rights and well-being of employees. o) Safety of records of the company.	126 126 126 126 126 126 127 127 128 128 128 102 129 – 137 138 138 138 139 139 139 140
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	140
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	144-146
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	140-142
5.16	Details about Board meetings and its attendance.	140
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	147-151

S.No.	Statement of Clause	Page No.
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	263
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	152 - 155
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities / matters that are within the scope of the Audit Committee’s responsibilities.	154
5.21	Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	154

S.No.	Statement of Clause	Page No.
5.22	Disclosure about the Government of Pakistan policies related to company’s business / sector in Directors’ Report and their impact on the company business and performance.	155
5.23	Information on company’s contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	155
06	Analysis of the Financial Information	122
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	158 - 161
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	164-171 & 161
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	175-182
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	185
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	186
6.06	Disclosure of market share of the company and share price sensitivity analysis.	186 -187
6.07	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	188
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	174
6.09	CEO presentation video on the company’s business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	187

S.No.	Statement of Clause	Page No.
07	Business Model	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	008 - 009
7.02	Explanation of any material changes in the entity's business model during the year.	046
08	Disclosures on IT Governance and Cybersecurity	190
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	192
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	192
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	193
8.04	Disclosure about company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	193
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	193-194
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	194
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	194
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	195
09	Future Outlook	196
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	198
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward- looking statement.	199
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	199
9.04	Disclosure about company's future Research & Development initiatives.	199
9.05	Sources of information and assumptions used for projections / forecasts in the forward- looking statement, and any assistance taken by any external consultant	199

S.No.	Statement of Clause	Page No.
10	Stakeholders Relationship and Engagement	200
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	202
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	203
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	204
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	204
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	154
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	204
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	205
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	204
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	205
11	Striving for Excellence in Corporate Reporting	206
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	208
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	273-282

S.No.	Statement of Clause	Page No.
12	Specific Disclosures of the Financial Statements	210
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	222-263
13	Assessment based on Qualitative Factors	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: a) Clarity, simplicity and lucidity in presentation of Financial Statements; b) Theme on the cover page; c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report; d) Effectiveness and relevance of photos and graphs; e) Effectiveness of the theme on the cover page.	Overall Report
14	Industry Specific Disclosures (if applicable)	
14.01	a) Disclosures required for Banking Company (Annexure III). b) Disclosures required for Insurance Company (Annexure IV). c) Disclosures required for Exploration and Production (E&P) Company (Annexure V). d) Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (Annexure VI).	N/A

Glossary

ACCA	Association of Chartered Certified Accountants
ACIR	Additional Commissioner Inland Revenue
AI	Artificial Intelligence
AMC	Asset Management Company
AM2+	Asset Manager Rating
AOBP	Audit Oversight Board of Pakistan
APCMA	All Pakistan Cement Manufacturers Association
ASLIL	Al Shumookh Lukcy Investments Limited
ATF	Aziz Tabba Foundation
ATIR	Appellate Tribunal Inland Revenue
AUM	Assets Under Management
B2B	Business to Business
BA	Bachelors of Arts
BCI	Better Cotton Initiative
BCP	Business Continuity Plan
BCR	Best Corporate Reporting
BIA	Business Impact Analysis
BI	Business Intelligence
BMR	Balancing, Modernization, and Replacement
BOD	Board of Directors
BSC	Board Sustainability Committee
CAPEX	Capital Expenditure
CC	Cubic Capacity
CCG	Code of Corporate Governance
CDCSRSL	CDC Share Registrar Services Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFPP	Coal-Fired Power Plant
CIA	Chief Internal Auditor
CIO	Chief Information Officer
CIRA	Commissioner Inland Revenue Appeals
CKD	Completely Knocked Down (automotive term)
COC	Cash Over Counter
CPLA	Civil Petition for Leave to Appeal
CPP	Captive Power Producer
CPPA-G	Central Power Purchasing Agency (Gaurante) Limited
CPSP	College of Physicians and Surgeons Pakistan
CSR	Corporate Social Responsibility
DC	Domain Controller
DCIR	Deputy Commissioner Inland Revenue
DE&I	Diversity, Equity, and Inclusion
DFIs	Development Financial Institutions
DLTL	Drawback of Local Taxes and Levies
DMS	Document Management System
DRC	Democratic Republic of Congo
DRP	Disaster Recovery Plan
DPS	Dividend Per Share
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EBIT	Earnings Before Interest and Taxes
ECL	Expected Credit Losses

EFS	Export Facilitation Scheme
EFF	Extended Fund Facility
EOGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESG	Environmental, Social & Governance
ESP	Electrostatic Precipitators
ESS	Employee Self Service
ETI	Ethical Trading Initiative
ETP	Effluent Treatment Plant
EVA	Economic Value Added
EWS	Early Warning System
F&B	Food & Beverages
FBR	Federal Board of Revenue
FCF	Free Cash Flows
FEC	Family Entertainment Center
FEAS	Federation of European and Asian Stock Exchanges
FGD	Flue Gas Desulphurization
FTML	Fazal Textile Mills Limited
FTR	Final Tax Regime
FVTPL	Fair Value through Profit or Loss
FVTOCI	Fair Value Through Other Comprehensive Income
FZE	Free Zone Establishment
FZCO	Free Zone Company (legal entity type, e.g., in UAE)
GBV	Gender Based Violence
GIDC	Gas Infrastructure Development Cess
GP	Gross Profit
GRI	Global Reporting Initiatives
GTML	Gadoon Textile Mills Limited
HIA	Head of Internal Audit
HOD	Head of Department
HR	Human Resource
HR&R	Human Resource and Remuneration
HSE	Health, Safety and Environment
IAAPA	International Association of Amusement Parks and Attractions
IASB	International Accounting Standards Board
ICAEW	Institute of Chartered Accountants in England and Wales
ICAP	Institute of Chartered Accountants of Pakistan
ICCPR	International Council of Cardiovascular Prevention and Rehabilitation
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFRIC	IFRS Interpretations Committee
IFRS	International Finance Reporting Standards
IIRF	International Integrated Reporting Framework
IMF	International Monetary Fund
IMP	Incident Management Plan

IPO	Initial Public Offering
IR	Integrated Reporting
ISAs	International Standards on Auditing
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ITSC	IT Steering Committee
IT	Information Technology
ITGCs	IT General Controls
IOD	Institute of Directors
KDSP	Karachi Downsyndrome Programme
KIBOR	Karachi Inter-Bank Offer Rate
KPI	Key Performance Indicators
KSE	Karachi Stock Exchange
KSBL	Karachi School of Business and Leadership
LAPL	Lucky Air (Private) Limited
LASHL	Lucky Al Shumookh Holdings Limited
LC	Letter of Credit
LCI	Lucky Core Industries Limited
LCL	Lucky Cement Limited
LCPL	Lucky Commodities (Private) Limited
LEL	Lucky Entertainment (Private) Limited
LEPCL	Lucky Electric Power Company Limited
LEPL	Lucky Energy (Private) Limited
LEXL	Lucky Exim (Private) Limited
LFPL	Lucky Foods (Private) Limited
LHL	Lucky Holdings Limited
LIL	Lucky Investments Limited
LKL	Lucky Knits (Private) Limited
LLPL	Lucky Landmark (Private) Limited
LMCL	Lucky Motor Corporation Limited
LOPL	LuckyOne (Private) Limited
LRPL	Lucky Renewables (Private) Limited
LTML	Lucky Textile Mills Limited
MBA	Masters of Business Administration
MENA	Middle East and North Africa
MIS	Management Information System
MTPA	Million Tons Per Annum
MVS	Murata Vortex Spinning
MW	Mega Watt
NAB	National Accountability Bureau
NBFC	Non-Banking Finance Company
NCDR	National Cardiovascular Data Registry
NEPRA	National Electric Power Regulatory Authority
NEQS	National Environmental Quality Standards
NFEH	National Forum for Environment and Health
NFO	National Finance Olympiad
NGO	Non-Governmental Organization
NOWPDP	Network of Organizations Working for People with Disabilities Pakistan
NPO	Non-Profit Organization
NRV	Net Realizable Value

NRL	National Resources Limited
NTN	National Tax Number
OCR	Optical Character Recognition
OPD	Out Patient Department
PACRA	Pakistan Credit Rating Agency
PAT	Profit After Tax
PFS	Primary Financial Statements
PBC	Pakistan Business Council
PD	Probability of Default
PESCO	Peshawar Electric Supply Company
PHC	Peshawar High Court
PICG	Pakistan Institute of Corporate Governance
PM&DC	Pakistan Meical & Dental Council
PPA	Power Purchase Agreement
PSF	Polyester Staple Fiber
PSX	Pakistan Stock Exchange
PSTD	Pakistan Society of Training & Development
R&D	Research and Development
RDF	Refuse Derived Fuel
RMF	Risk Management Framework
SBP	State Bank of Pakistan
SPV	Secial Purpose Vehicle
SDG	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SECMC	Sindh Engro Coal Mining Company
SNGPL	Sui Northern Gas Pipeline Limited
SMS	Safety Management System
SPP	Small Power Producer
THI	Tabba Heart Institute
TMF	Tabba Microfinance
TWPPL	Tricom Wind Power (Private) Limited
TDF	Tyre Derived Fuel
TKI	Tabba Kidney Institute (TKI)
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
VAPT	Vulnerability Assessment and Penetration Testing
VPN	Virtual Private Network
WACC	Weighted Average Cost of Capital
WEF	World Economic Forum
WHO	World Health Organization
WHRP	Waste Heat Recovery Plant
WHRS	Waste Heat Recovery Systems
WTG	Wind Turbine Generators
WWF	Workers Welfare Fund
YBG	Yunus Brothers Group
YBHPL	Y.B. Holdings (Private) Limited
YBPL	Y.B. Pakistan Limited
YEL	Yunus Energy Limited
YGL	Young Global Leader
YPO	Young President Organization
YTML	Yunus Textile Mills Limited

Form of Proxy

The Company Secretary,
Gadoon Textile Mills Limited,
200-201, Gadoon Amazai Industrial Estate,
District Swabi, Khyber Pakhtunkhwa.

I / We _____ of
(full address) _____

being a member of Gadoon Textile Mills Limited and holder of _____
ordinary shares as per Share Register Folio No. _____
ordinary shares as per Share Register Folio No. _____
and Sub- Account No. _____
hereby appoint _____
of (full address) _____
or failing him/her _____
of (full address) _____

as proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the 39th Annual
General Meeting of the Company to be held on Monday, September 28, 2026 at 10:30 a.m. and at any adjournment
thereof.

Signature this _____ day of _____ 2026
Signature of members should match with the specimen signature registered with the company

Witness

1) Signature : _____
Name : _____
Address : _____
CNIC No. : _____

Signature

2) Signature : _____
Name : _____
Address : _____
CNIC No. : _____

Signature of members should
match with the specimen signature
registered with the company

- Note:
- 1. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy must be a member of the Company.
 - 2. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card with this proxy form before submission to the Company.
 - 3. For representatives of corporate members, Board of director's resolution / power of attorney and the specimen signature of the nominee must be deposited along with the proxy form. The representative shall produce his/her original CNIC at the time of meeting.

تشکیل نیابت داری

جناب کمپنی سیکریٹری

گدون ٹیکسٹائل ملز لمیٹڈ،

200-201 گدون امازئی انڈسٹریل اسٹیٹ،

ڈسٹرکٹ صوابی، خیبر پختونخواہ۔

میں/ہم _____ ساکن _____ بحیثیت رکن گدون ٹیکسٹائل ملز لمیٹڈ اور حامل _____ عام حصص،

برطانیق شیئرز رجسٹرڈ فوئیو/سی ڈی سی شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ مسمیٰ/مسماة _____

ساکن _____ فوئیو/سی ڈی سی شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ یا بصورتِ

دیگر مسمیٰ/مسماة _____ ساکن _____ فوئیو/سی ڈی سی شراکتی آئی ڈی نمبر _____

اور ذیلی کھاتہ نمبر _____ کو اپنی جگہ بطور نمائندہ (پراکسی) مقرر کرتا ہوں تاکہ وہ میری/ہماری طرف سے کمپنی کے (39th) انتالیسواں سالانہ اجلاس عام جو کہ بتاریخ 28 ستمبر 2026

بروز پیر بوقت صبح 10:30 بجے منعقد ہو رہا ہے میں، یا، اسکے کسی ملتی شدہ اجلاس میں ووٹ ڈالے۔

دستخط رکن _____ بروز _____ 2026

(اراکین کے دستخط، کمپنی کے پاس درج دستخطی نمونے کے مطابق ہونے چاہیے)

دستخط گواہ نمبر 1 _____ دستخط گواہ نمبر 2 _____

نام _____ نام _____

پتہ _____ پتہ _____

شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____

نوٹ:

- تشکیل نیابت داری کی درخواست، اجلاس سے کم از کم ۴۸ گھنٹے قبل کمپنی کو موصول ہو جانی چاہیے۔ پراکسی کا کمپنی کارکن ہونا ضروری ہے۔
- سی ڈی سی شیئرز ہولڈرز اور ان کے نمائندوں سے درخواست ہے کہ پراکسی فارم کے ساتھ اپنے سی این آئی سی کی مصدقہ نقول فراہم کریں۔
- بصورت کاروباری ادارے، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بمعد نامزد کردہ شخص کے دستخط کے نمونے ظاہر کرنا لازم ہیں۔



متعلقہ پارٹیوں میں درج ذیل شامل ہیں، لیکن ان تک محدود نہیں ہیں:

1	کلی سینٹ لمیٹڈ	2	کلی کورانڈسٹریز لمیٹڈ
3	کلی انرجی (پرائیویٹ) لمیٹڈ	4	کلی انوسٹمنٹ لمیٹڈ
5	کلی ٹیکسٹ (پرائیویٹ) لمیٹڈ	6	کلی لمیٹڈ مارک (پرائیویٹ) لمیٹڈ
7	کلی موٹر کارپوریشن لمیٹڈ	8	کلی ٹیکسٹائل ملز لمیٹڈ
9	نیشنل بینک آف پاکستان	10	ٹرائی کام سولر پاور (پرائیویٹ) لمیٹڈ
11	وائی بی ہولڈنگز (پرائیویٹ) لمیٹڈ	12	یونیس انرجی لمیٹڈ
13	یونیس ٹیکسٹائل ملز لمیٹڈ	14	یونیس ونڈ پاور لمیٹڈ

اراکین کو یہ بھی پیش نظر رکھنا چاہیے کہ، سالانہ اجلاس عام کے نوٹس میں بیان کردہ خصوصی قراردادوں کے لیے، کمپنی کے لیے 30 جون 2027 کو ختم ہونے والی مدت میں کیے جانے والے متعلقہ پارٹیوں کے لین دین/ انتظامات کی مقدار کا اندازہ لگانا ممکن نہیں ہے، تاہم ممبران سے درخواست ہے کہ وہ بورڈ آف ڈائریکٹرز کو 30 جون 2027 کو ختم ہونے والی مدت کے لیے وقتاً فوقتاً کیے جانے والے 25 ارب روپے کے لین دین/ انتظامات کو انجام دینے کا اختیار دیں۔ بعد ازاں کمپنی ایسے تمام معاملات اور لین دین کے اصل اعداد و شمار پیش کرے گی اور اگلے سالانہ اجلاس عام میں اراکین سے اس کی توثیق اور تائید کرائی جائے گی۔ مزید برآں، کمپنی اور اس کا بورڈ، کمپنی کے حصص داران کے مفادات کے تحفظ کے لیے مسلسل خدمات انجام دیتے ہیں گے اور مذکورہ تمام لین دین اور معاملات، کمپنی اور اس کے اسٹیک ہولڈرز کے مفاد کو مد نظر رکھتے ہوئے کیے جاتے ہیں۔

مذکورہ بالا کی بنیاد پر اراکین سے درخواست کی جاتی ہے کہ وہ نوٹس میں درج خصوصی قراردادیں پاس کریں (ترمیم کے ساتھ یا بغیر)۔

کمپنی کے ڈائریکٹرز میں سے کسی کی بھی مذکورہ خصوصی امور میں کوئی ذاتی دلچسپی یا مفاد نہیں ہے، ماسوائے اس کے کہ وہ کمپنی کے ممبران اور ڈائریکٹرز ہیں۔



تمام حصص داروں کو مشورہ دیا جاتا ہے کہ وہ فیڈرل بورڈ آف ریونیو کی ویب سائٹ پر دستیاب فعال ٹیکس دہندگان کی فہرست میں اپنی حیثیت چیک کریں اور، اگر ضرورت ہو، تو فعال ٹیکس دہندگان کی فہرست میں اپننام شامل کروانے کے لیے ضروری اقدامات کریں۔ اگر کسی شخص کا نام فعال ٹیکس دہندگان کی فہرست میں ظاہر نہیں ہوتا، تو اس پر لاگو ٹیکس کی شرح سو فیصد بڑھادی جائے گی۔ وہ اراکین جو آمدنی پر ٹیکس کی کوٹھی سے استثنیٰ کے خواہش مند ہیں یا جو کم شرح پر ٹیکس کوٹھی کے اہل ہیں، ان سے درخواست ہے کہ وہ حسب ضرورت ایک قابل قبول ٹیکس استثنیٰ کا سرٹیفکیٹ یا ضروری دستاویزی ثبوت جمع کروائیں۔ وہ اراکین جو زکوٰۃ کی کوٹھی نہیں کروانا چاہتے، ان سے بھی درخواست ہے کہ وہ زکوٰۃ کی عدم کوٹھی کے لیے ایک قابل قبول اقرارنامہ جمع کروائیں۔

6.1 مشترکہ حصص داران کیلئے

ایسے حصص دارن جو فیڈرل بورڈ آف ریونیو کی جانب سے جاری کی گئی وضاحت کی رو سے مشنز کہ حاملین حصص ہیں سے وہ ہولڈنگ ٹیکس فراد فدا اس بات کہ تعین کہ بعد کیا جائے گا کہ اصل اور مشنز کہ حصص داران کے نام ٹیکس ادا کرنے والے فعال فراہ کی حد بد فہرست میں شامل ہیں مانئیں۔ اس کہ ساتھ مشنز کہ حصص داری میں ان کے تناسب کا لحاظ بھی رکھا جائے گا۔ لہذا ایسے تمام حصص داران جو کہ مشنز کہ حصص کے حامل ہیں پر لازم ہے کہ اپنے اصل اور مشنز کہ حصص دار کا تناسب ہمارے حصص رجسٹرار کو تحریری طور پر درج ترتیب کے ساتھ مہیا کریں:

گدون ٹیکسٹائل ملز لمیٹڈ				
اصل حامل حصص	مشنز کہ حاملین حصص			
فولیو/ سی ڈی سی اکاؤنٹ نمبر	کل حصص	نام و کمپیوٹرائزڈ قومی شناختی کارڈ	تناسب حصص داری (حصص کی تعداد)	نام و کمپیوٹرائزڈ قومی شناختی کارڈ
نسب	تناسب حصص داری (حصص کی تعداد)	تناسب حصص داری (حصص کی تعداد)	نسب	تناسب حصص داری (حصص کی تعداد)

حصص داران کے رجسٹر ڈای۔میل سے مطلوبہ معلومات متعین کردہ وقت پر کمپنی کو موصول ہونے پر وڈیو کا نفرنس لنک اور لاگ ان سے متعلق تفصیلات حصص داران کے رجسٹر ڈای۔میل پر فراہم کردی جائیں گی۔ مزید برآں، اس وڈیو لنک سے صرف بذریعہ رجسٹر ڈای۔میل سے لاگ ان کیا جاسکے گا۔

7۔ حصص داران کے پتے میں تبدیلی سے متعلق اطلاع

کمپنی کے حصص دارن سے گزارش ہے کہ اگر ان کے پتے میں کسی بھی قسم کی کوئی تبدیلی واقع ہوئی ہے تو اس تبدیلی سے ہمارے رجسٹرار ا حصص منتقلی ایجنٹ کو فوری آگاہ کریں۔

8۔ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) فراہم کرنا لازم ہے

حصص داران کو یاد دہانی کرائی جاتی ہے کہ اپنی کارآمدی این آئی سی کی تصدیق شدہ نقل اگر کمپنی کے حصص رجسٹرار کے پاس جمع نہیں کرائی تو اب کروادیں۔ کسی بھی حصص دار کے سی این آئی سی کی نقل کمپنی کے ریکارڈ میں موجود نہ ہونے کی صورت میں کمپنی ان کے منافع منقسمہ کو کمپنیز ایکٹ، 2017 (ایکٹ) کی شق 243 کے تحت روکنے پر مجبور ہوگی جسے بعد از آئی سی این آئی سی کی فراہمی کے بعد جاری کیا جائے گا۔

9۔ کمپنی کی ویب سائٹ پر آڈٹ شدہ مالیاتی دستاویزات کی دستیابی

کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 جون 2026 کمپنی کی ویب سائٹ http://gadooontextile.com/investor-information پر فراہم کردی گئی ہیں۔

10۔ ووٹنگ بزریعہ پوسٹل بیلٹ بمطابق کمپنیز (پوسٹل بیلٹ ریگولیشنز، 2018)

کمپنیز (پوسٹل بیلٹ (ریگولیشنز، 2018 کے تحت کسی ایسے ایجنڈا آٹم جو ایکٹ کی شق 143 اور 144 سے متعلق ہوں، کے ضمن میں حاضر حصص داران، نائب یا بذریعہ ویڈیو کانفرنس شریک ہیں اور کل ووٹنگ پاور کے دس فیصد کے حامل ہیں، اپنا حق رائے دہی بذریعہ پوسٹ یا کسی الیکٹرانک ذرائع سے، ریگولیشنز میں درج طریقہ کار کے مطابق استعمال کر سکتے ہیں۔

11۔ غیر دعوی شدہ منافع منقسمہ

ایکٹ کے سیکشن 244 کے تحت کمپنی کی جانب سے جاری کردہ کوئی بھی حصص یا اعلان کردہ منافع منقسمہ جو ان کے جاری کئے جانے اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر تقسیم شدہ/ غیر دعوی شدہ رہے ہیں، ان کہ لئے حصص داران کو کلیم کے نوٹس جاری کرنے کے بعد، وفاقی حکومت/ کمیشن (ایس ای سی پی) کی تجویل میں جمع کرا دیا جائے۔ اس ضمن میں کمپنی کے حصص داران کو نوٹس بتاریخ جنوری 31، 2018 ارسال کئے گئے اور حتمی نوٹس بتاریخ مئی 2، 2018 کو اخبارات میں شائع کیا جا چکا ہے۔ حصص داران سے درخواست ہے کہ اپنے غیر تقسیم شدہ/ غیر دعوی شدہ حصص/ منافع منقسمہ کے کلیم کو بروقت داخل کرنے کے امر کو یقینی بنائیں اور جلد از جلد کمپنی سے رابطہ کریں۔

12۔ سی ڈی سی اکاؤنٹ میں کاغزی (فزیکل) حصص جمع کروانا

ایکٹ کے سیکشن 244 کے تحت کمپنی اس بات کی پابند ہے کہ کمیشن کی جانب سے مخصوص کردہ طریقہ کار اور طریقہ کار اور ایسی مدت جو کہ ایکٹ کے آغاز سے چار سال سے زیادہ نہ ہو، اپنے تمام کاغذی (فزیکل) حصص کو یک- انٹری کے ساتھ تبدیل کرے۔ اس ضمن میں کمپنی کی جانب سے ایسے تمام فزیکل حصص کے مالکان کو نوٹس بتاریخ 17 جولائی 2021 ارسال کئے گئے جس میں بذریعہ بروکر ذیلی اکاؤنٹ کھلوانے یا براہ راست سی ڈی سی اکاؤنٹ کھلوانے سے متعلق ہدایات تفصیل سے درج ہیں۔ اس امر سے حصص داران کی معلومات کمپنی کے حصص رجسٹر میں بھی دستیاب ہوں گی جس سے نہ صرف کمپنی حصص داران سے بروقت رابطہ بلکہ منافع منقسمہ کی ادائیگی بھی بروقت کرسکے گی۔

ایکٹ کے سیکشن 119 اور کمپنیز (جنرل پروویژن اینڈ فارمز (ریگولیشنز، 2018 کے تحت تمام کاغذی حصص رکھنے والے حصص داران کو تاکید کی جاتی ہے کہ قانون کی عدم تعمیل اور مستقبل میں کسی بھی قسم کی ذمّت سے بچنے کے لئے اپنی متعلقہ ضروری معلومات جیسا کہ سی این آئی سی نمبر، پتہ، ای میل، موبائل یا ٹیلی فون رابطہ نمبر، آئی بی اے این وغیرہ فوری طور پر ہمارے حصص رجسٹرار کو درج ذیل پتے پر فراہم کریں: سی ڈی سی شیئرز رجسٹرار سروس لمیٹڈ، سی ڈی سی ہاؤس B-99، ایس ایم سی ایچ سوسائٹی، مین شاہراہ فیصل کراچی 74400۔ ٹول فری نمبر 0800-23275، ای میل: info@cdcsrsl.com: ویب سائٹ: www.cdcsrsl.com

13۔ اجلاس عام میں تحائف کی ممانعت

ایس ای سی پی نے اپنے سرکلر نمبر 2، مورخہ 9 فروری 2018 کے ذریعے، کمپنیوں کو سختی سے منع کیا ہے کہ جنرل میٹنگز میں، شیئرز ہولڈرز کو تحائف یا اس کے بدلے میں (ٹوکن/ کوپن/ لنچ/ ٹیکٹ وے ٹیکٹ) یا کسی بھی شکل یا انداز میں مراعات فراہم نہ کی جائیں۔ ایکٹ کے سیکشن کے تحت، اس ہدایت کی کسی بھی خلاف ورزی کو جرم سمجھا جاتا ہے، اور تعمیل کرنے میں ناکام ہونے والی کمپنیوں کو جرمانے کا سامنا کرنا پڑسکتا ہے۔۔

بیان زیر تحت سیکشن (3) بابت امور خصوصی

یہ بیان 26 ستمبر 2026 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کیے جانے والے خصوصی امور سے متعلق مادی حقائق کا تعین کرتا ہے۔

کمپنی روزمرہ کی بنیاد پر اور اپنی پالیسیوں، قابل اطلاق قوانین اور مضابطہ کے مطابق متعلقہ فریقوں کے ساتھ لین دین اور معاملات کرتی رہتی ہے۔ کچھ متعلقہ پارٹی ٹرانزیکشنز، جن میں ڈائریکٹرز کی اکثریت کا مفاد وابستہ ہو سکتا ہے، کے لیے ایکٹ کے سیکشنز 207 اور/ یا 208 (قابل اطلاق حد تک) اور سڈ کمپنیوں کے قواعد (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کی شق 15 کے تحت ممبران کی منظوری درکار ہوگی۔

جیسا کہ کمپنی کے کچھ/ اکثریت ڈائریکٹرز کا متعلقہ فریقوں کے ساتھ کچھ انتظامات/ لین دین میں مفاد تصور کیا جاسکتا ہے، بشمول ان کی شیئرز ہولڈنگ یا متعلقہ اداروں/ پارٹیوں میں مشترکہ ڈائریکٹر شپ کی وجہ سے، اور مزید شفافیت کو فروغ دینے کے لیے، کمپنی کے 38 ویں سالانہ اجلاس عام کے دوران اراکین سے اس بات کی منظوری لی گئی کہ بورڈ آف ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی کی طرف سے وقتاً فوقتاً (اور کیس ٹوکس کی بنیاد پر) اس طرح کے متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا اختیار دیدیا گیا اور اس طرح کے لین دین کو اراکین کی طرف سے منظور شدہ سمجھا جائے گا۔ نوٹ 38 میں 30 جون 2026 کو ختم ہونے والے مالیاتی گوشواروں میں تمام متعلقہ فریق کے لین دین کی معلومات فراہم کی گئی ہیں۔ ممبران سے اس بات کی بھی منظوری لی گئی اس طرح کے لین دین کو ان کی توثیق مع تائید کے لیے اگلے سالانہ اجلاس عام میں ممبران کے سامنے رکھا جائے گا۔ اسی مناسبت سے، ان لین دین کو اراکین کی توثیق/ تائید کے لیے اجلاس میں ممبران کے سامنے رکھا جا رہا ہے۔

متعلق پارٹیوں کے ساتھ کیے گئے لین دین میں شامل ہیں لیکن ان تک محدود نہیں، سامان، اشیاء، خام مال اور مواد کی خرید و فروخت، بشمول سوت، پالسیسٹر، سیمنٹ، کپڑا، بجلی، بھاپ، گارمنٹس، ٹیکسٹائل، گاڑیاں، پلانٹ مشینری، و دیگر ذیلی مشینری اور/ یا متعلقہ پُرزے، یا خدمات حاصل کرنا یا پیش کرنا۔

جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کے نوٹ 35 میں ان متعلقہ پارٹیوں کے ساتھ معاملات اور لین دین کی نوعیت کی نشاندہی کی گئی ہے۔ ڈائریکٹرز اس طرح کی متعلقہ پارٹیوں میں صرف اپنی مشترکہ ڈائریکٹر شپ اور شیئرز ہولڈنگز (قابل اطلاق) کی حد تک قراردادیں دلچسپی رکھتے ہیں۔

اس کے مطابق، اراکین سے درخواست کی جاتی ہے کہ وہ متعلقہ پارٹیوں کے ساتھ لین دین کی توثیق اور تائید کریں جیسا کہ 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں میں درج کیا گیا ہے۔

مزید برآں، کمپنی 30 جون 2027 کو ختم ہونے والے سال کے دوران اپنی متعلقہ پارٹیوں کے ساتھ معاملات اور لین دین کرے گی جو کہ قراردادیں بیان کی گئی ہیں (بشمول، لیکن ان تک محدود نہیں)۔ ایسی متعلقہ پارٹیوں میں ڈائریکٹرز کی حصص داری یا مشنز کہ ڈائریکٹر شپ کی وجہ سے، بعض معاملات یا لین دین میں ان کا مفاد وابستہ تصور کیا جاسکتا ہے جس کے باعث، شفاف کاروباری طریقوں کو فروغ دینے کی غرض سے، اراکین سے منظوری لی جارہی ہے کمپنی کو اس طرح کے تمام معاملات اور لین دین کرنے کا مکمل اختیار ہوگا، اور مزید یہ کہ بورڈ آف ڈائریکٹرز کو 30 جون 2027 کو ختم ہونے والے مالی سال کے دوران کمپنی کی طرف سے کئے جانے والے متعلقہ پارٹی ٹرانزیکشنز کی منظوری دینے کے لیے مکمل اختیار ہوگا (قطع نظر اس بات سے کہ بورڈ کی ساخت کیا ہے اور بورڈ اور ڈائریکٹرز کا کیا مفاد کیا ہے)۔ 30 جون 2027 کو ختم ہونے والے سال کے لیے مذکورہ بالا متعلقہ پارٹیوں کے لین دین کو اراکین کے جانب سے منظور شدہ تصور کیا جائے گا۔

اراکین کو پیش نظر رکھنا چاہیے کہ کمپنی یا اس کہ ڈائریکٹرز کے لیے متعلقہ پارٹی کے معاملات/ لین دین کی نوعیت، یا مخصوص متعلقہ پارٹی جن کے ساتھ لین دین کیے جائیں گے، کی درست طریقے سے پیش گوئی کرنا ممکن نہیں ہے۔ کمپنی جو معاملات اور لین دین کرے گی اس میں شامل ہیں (لیکن ان تک محدود نہیں) سامان، اشیاء، خام مال اور مواد کی خرید و فروخت، بشمول سوت، پالسیسٹر، سیمنٹ، کپڑا، بجلی، بھاپ، گارمنٹس، ٹیکسٹائل، گاڑیاں، پلانٹ اور مشینری، دیگر ذیلی مشینری اور/ یا متعلقہ پُرزے، میوچل فنڈ میں سرمایہ کاری، ڈیویڈنڈ کی وصولی یا ادائیگی، یا خدمات حاصل کرنا یا پیش کرنا۔

39واں سالانہ اجلاس عام کی اطلاع

بذریعہ بذمطلع کیا جاتا ہے کہ گلدون ٹیکسٹائل ملز لمیٹڈ (کمپنی) 39واں سالانہ اجلاس عام برائے ممبران بروز پیر مؤرخہ 28 ستمبر 2026 بوقت صبح 10:30 بجے بمقام کمپنی کے رجسٹرڈ دفتر 201-200 گلدون امازنی انڈسٹریل

اسٹیٹ، گلدون امازنی ڈسٹرکٹ صوابی، خیبر پختون خواہ میں اور بذریعہ ویڈیولنک منعقد کیا جا رہا ہے جس میں درج ذیل امور زیر بحث لائے جائیں گے:

عمومی امور

1۔ ارنیسویں سالانہ اجلاس عام منعقدہ 26 ستمبر 2025 کی کارروائی کی توثیق کرنا۔

2۔ مورخہ 30 جون 2026 کو ختم ہونے والے مالی سال کی آڈٹ شدہ مالیاتی دستاویزات برائے کمپنی بمعہ نظر ثانی رپورٹ از آڈیٹرز وڈائریکٹرز اور چیئرمین اور ان سے متعلق رپورٹس کی وصولی، غور و خوض اور منظوری۔

3۔ مورخہ 30 جون 2026 کو ختم ہونے والے مالی سال کیلئے بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ پچاس فیصد نقد حقی منافع منقسمہ بقدر پانچ روپے فی حصص کی منظوری دینا۔

4۔ مالی سال 30 جون 2027 کیلئے آڈیٹروں کا انتخاب کرنا اور انکے مشاہیرے کا تعین کرنا۔ موجودہ آڈیٹرز میسر ڈیوسٹ عادل، چارٹرڈ اکاؤنٹنٹس نے ریٹائر اور اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔

خصوصی امور

5۔ غور و خوض کرنا، اور اگر مناسب ہو تو مندرجہ ذیل قراردادوں کو بطور خصوصی قرارداد (ترمیم یا با ترامیم) منظور کرنا کے کمپنی کی جانب سے کمپنیز ایکٹ، 2017 کی شق 207 اور 208 (قابل اطلاق حد تک) کے تحت متعلقہ پارٹیوں

کے ساتھ لین دین اور معاملات جو کئے جا چکے ہوں یا مکمل طور پر کئے جانے ہوں، کی توثیق اور منظوری (معاملے کی مناسبت سے):

’’قرارداد یا جاتا ہے کہ کمپنی کی جانب سے مختلف متعلقہ پارٹیوں کے ساتھ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین، جیسا کہ مذکورہ مدت کی کمپنی کی مالیاتی دستاویزات کے نوٹ نمبر 38 میں درج ہیں، کی بذریعہ بذاتوثیق اور تصدیق کی جاتی ہے۔

مزید برآں قرارداد یا جاتا ہے کہ کمپنی کو مختلف متعلقہ پارٹیوں کے ساتھ مالی سال 27-2026 کے دوران کا ہے بگا ہے Rs. 25,000,000,000 (مبلغ پچیس ارب روپے) کی حد تک کے معاملات اور لین دین کرنے کا بذریعہ ہذا مجاز بنایا جاتا ہے جن میں شامل ہیں مگر انہی تک محدود نہیں، اشیاء، سامان اور مواد کی خرید و فروخت، بشمول سوت، پالیسٹر، سیسٹنٹ، کپڑا، توانائی، بھاپ، ٹیکسٹائلز، مشینری اور دیگر ذیلی مشینری اور متعلقہ فاضل پرزہ جات، خدمات کی فراہمی اور وصولی۔ اراکین نے نوٹ کیا کہ مذکورہ بالا معاملات اور لین دین میں چند یا زیادہ تر ڈائریکٹرز کا مفاد وابستہ ہو سکتا ہے۔ باوجود اس کے، اراکین کی جانب سے کمپنی کے بورڈ آف ڈائریکٹرز کو، بشمول کمپنیز ایکٹ، 2017 کی شق 207 اور 208 (قابل اطلاق حد تک) کے تحت پیشگی اختیار اور منظوری دی جاتی ہے (قطع نظر اس سے کہ بورڈ کی ساخت کیا ہے) کے بورڈ آف ڈائریکٹرز تمام متعلقہ پارٹیوں سے لین دین کا جائزہ لیں اور اسے منظور کریں۔

مزید برآں قرارداد یا جاتا ہے، 30 جون، 2027 کو ختم ہونے والے مالی سال کی مدت کے دوران متعلقہ پارٹیوں کے ساتھ کئے گئے تمام معاملات اور لین دین کو اراکین کی جانب سے منظور شدہ تصور کیا جائے گا اور بعد ازاں ایسے تمام لین دین اور معاملات اگلے سالانہ اجلاس عام میں اراکین کے سامنے توثیق اور منظوری کے لئے رکھے جائیں گے۔‘‘

6۔ چیئرمین کی اجازت سے کسی بھی دیگر امور کو زیر کارروائی لانا۔

بیان برائے اہم حقائق زیر بحث نیکشن بابت درج بالا خصوصی کاروبار امور، اس نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ

فواد ذکر یا بھوری

کمپنی سیکریٹری

نوٹس

۱۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کھاتے بروز پیر 21 ستمبر 2026 سے بروز پیر 28 ستمبر 2026 تک بند رہیں گے (بشمول دونوں ایام)۔ ہمارے رجسٹرار منتقلی ایجنٹ میسر ڈی ڈی سی شیئر رجسٹرار سروس لمیٹڈ (سی ڈی سی ایس آر ایس

ایل)، سی ڈی سی باؤس ایچ سوسائٹی، مین شاہراہ فیصل کراچی 74400 کو کاروبار کے آخری دن بروز جمعہ 18 ستمبر 2026 تک موصول ہونے والی درخواستوں کو سالانہ اجلاس عام میں شرکت کیلئے بروقت تصور کیا جائے گا۔

2۔ سالانہ رپورٹ کی بزرریعہ الیکٹرانک ای میل ترسیل

ایکٹ کے سیکشن 6(223) اور ایس آر او 2023(I)/389 کے تحت، کمپنی نے سالانہ رپورٹ 2026 کو بذریعہ الیکٹرانک طور پر ای میل کے ذریعے ان شیئر ہولڈرز تک ارسال کرو یا ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار کے پاس دستیاب ہیں۔ جن شیئر ہولڈرز کے ای میل ایڈریس، شیئر رجسٹرار کے پاس دستیاب نہیں ہیں، انھیں پرنٹ شدہ میٹنگ کانوٹس بمعہ سالانہ رپورٹ کوڈ ان لوڈ کرنے کے لیے QR ویب لنک کوڈ ان کے رجسٹرڈ پتوں پر ارسال کرو یا کیا ہے۔ تاہم، مذکورہ بالا کے باوجود، کمپنی کسی بھی رکن کو ان کی درخواست پر، ان کے رجسٹرڈ ایڈریس پر، ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر، آڈٹ شدہ مالیاتی بیانات کی بارڈ کا پی مفت فراہم کرے گی۔ مزید، شیئر ہولڈرز سے گزارش ہے کہ اگر وہ اگر ممبرز فزیکل فارم میں شیئرز رکھتے ہے تو برائے مہربانی اپنا درست ای میل ایڈریس، قومی شناختی کارڈ کی کاپی کے ساتھ شیئر رجسٹرار کو فراہم کریں اور بک انٹری فارم میں شیئرز رکھنے والے ممبرز اپنے متعلقہ شرکت کنندہ/سر مایہ کار اکاؤنٹ سروسز کو فراہم کریں۔ کمپنی کے آڈٹ شدہ مالیاتی بیانات درج ذیل QR ویب لنک کوڈ کے ذریعے سے ڈاؤن لوڈ کی جاسکتی ہیں:



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3۔ اجلاس میں شرکت

(i) تمام حصص داران کو یہ حق حاصل ہوگا کہ وہ اپنی شناخت بذریعہ اصلی کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا پاسپورٹ ثابت کرنے کے بعد کمپنی کے عام اجلاس میں شرکت کریں۔

(i i) بصورت کاروباری ادارے، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ بمعہ نامزد کردہ شخص کے دستخط کے نمونے ظاہر کرنا لازم ہیں۔

کوئی بھی رکن جو اجلاس میں شرکت اور رائے شماری کا اہل ہے، وہ اپنے متبادل کے طور پر اجلاس میں شرکت اور رائے شماری کے لئے اپنا نائب مقرر کر سکتا ہے۔

نائب کے انتخاب کے لئے

(i) اراکین ایک سے زائد نائب نامزد کرنے کے اہل نہیں۔ ایک سے زائد نائب منتخب کئے جانے یا ایک سے زائد تشکیل نیابت داری کی درخواستیں جمع کروائی جانے پر ایسی تمام درخواستیں مسترد کردی جائیں گی۔ نائب کا کمپنی کا رکن ہونا ضروری ہے۔

(ii) تشکیل نائب داری کی درخواست کمپنی کے رجسٹرڈ دفتر کو اجلاس منعقد ہونے سے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہیے۔

(iii) نائب کے لئے ضروری ہے کہ اجلاس میں شرکت کے وقت اپنی شناخت بذریعہ اصلی سی این آئی سی یا پاسپورٹ ثابت کریں۔

(iii) تشکیل نیابت داری درخواست پردو گواہان کے دستخط بمعہ نام، پتہ اور سی این آئی سی نمبر ہونا لازم ہے۔

(iv) تشکیل نیابت داری درخواست پردو گواہان کے دستخط بمعہ نام، پتہ اور سی این آئی سی نمبر ہونا لازم ہے۔

(iv) تشکیل نیابت داری کی درخواست کے ساتھ بتعینیشل اوٹزاور نائب دونوں کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول بھی لازماً جمع کروائیں۔

4۔ اجلاس میں شرکت بزرریعہ ویڈیولنک (تعمیل برائے اس ای سی پی کے جاری کردہ مراسلہ نمبر 4)

بحوالہ ایس ای سی پی مراسلہ نمبر 4، بذریعہ ویڈیولنک شرکت کے خواہشمند حصص داران درج ذیل معلومات agm_2026@gadoontextile.com پر اجلاس کی تاریخ سے سات یوم قبل فراہم کریں۔

ممبر کا نام	قومی شناختی کارڈ نمبر	فولیو ای ڈی سی اکاؤنٹ نمبر	رجسٹرڈ ای۔میل	موبائل فون نمبر

5۔ بزرریعہ الیکٹرانک زرائع منافع منقسمہ کی ادائیگی

کمپنیز ایکٹ، 2017 سیکشن 242 کے تحت کوئی بھی قابل ادائیگی نقد منافع منقسمہ صرف حصص داری کی جانب سے مختص کئے گئے بینک اکاؤنٹ میں براہ راست بذریعہ الیکٹرانک ذرائع سے ہی ادا کئے جائیں گے، اس طرح ایس ای سی پی کے ایس آر او 2017/1(1145) (ترمیم شدہ) کے مطابق تمام حصص داران کو ہدایت کی گئی ہے کہ وہ بذریعہ الیکٹرانک ذرائع اپنے منافع منقسمہ کی وصولی کیلئے اپنے کارآمد انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) مہیا کریں۔ کمپنی کے جانب سے اس سلسلے میں تمام حصص داران کو پہلے ہی بذریعہ خطوط فرداً فرداً اور اخبارات میں اشاعت کے ذریعے مطلع کیا جا چکا ہے کہ وہ اپنے آئی بی اے این کمپنی کو مہیا کردیں۔ لہذا بذریعہ ہذا تمام حصص داران کو مطلع کیا جاتا ہے کہ اپنے بینک کے مینڈیٹ کی تمام تفصیلات بشمول (i) عنوان برائے اکاؤنٹ، (ii) آئی بی اے این، (iii) بینک کا نام، (iv) برانچ کا نام اور پتہ کمپنی کے حصص رجسٹرار کو فراہم کردیں، ایسے حصص داران جو بروکر/شراکت داروں ای ڈی سی کے ساتھ حصص کے حاملین ہیں سے گزارش ہے کہ اپنے متعلقہ بروکر/شراکت دار ای ڈی سی انویسٹر اکاؤنٹ سروسز کے مینڈیٹ کی تفصیلات فراہم کریں۔

مندرجہ بالا معلومات کی فراہمی کے لئے کمپنی کی ویب سائٹ کے انویسٹر انفارمیشن سیکشن http://gadoontextile.com/investor-information میں فارم مہیا کر دیئے گئے ہیں۔

6۔ منافع منقسمہ پر ودبولڈنگ ٹیکس

انکم ٹیکس ریڈینس، 2001 سیکشن 150 میں کمپنیوں کی جانب سے دیئے جانے والے منافع منقسمہ پردوہولڈنگ ٹیکس کی شرح مقرر کی گئی ہے جو کہ درج ذیل ہے:

(الف) افراد جن کے نام ٹیکس ادا کرنے والے فعال افراد کی فہرست میں شامل ہیں۔	15.0%
(ب) افراد جن کے نام ٹیکس ادا کرنے والے فعال افراد کی فہرست میں شامل نہیں ہیں۔	30.0%

اس مدت کے دوران، کمپنی کی ٹیم نے چائلڈ لائف فاؤنڈیشن کا دورہ کیا، جہاں ملازمین نے کسن مریضوں کے ساتھ وقت گزارا تاکہ ہمدردی اور جذباتی بہبود کو فروغ دیا جاسکے۔

کمپنی نے مرشد ہسپتال اینڈ ہیلتھ کیئر سینٹر کو اعلیٰ معیار کی ہسپتال شیٹس عطیہ کر کے ہیلتھ کیئر سیکٹر کے لیے اپنی امداد کو مزید مضبوط کیا، اور انڈس ہسپتال کے تعاون سے اپنی کاٹھور فیکٹری میں بلڈ ڈونیشن ڈرائیو کا انعقاد کیا تاکہ رضاکارانہ عطیہ خون کی حوصلہ افزائی کی جاسکے اور ضرورت مند مریضوں کی مدد کی جاسکے۔

معذور افراد کی شمولیت کے عزم کو جاری رکھتے ہوئے، کمپنی نے KDSP (ڈاؤن سنڈروم آرگنائزیشن) کا دورہ کیا اور NOWPDP کو ٹیکسٹائل مشینری عطیہ کر کے ان کی مدد کی تاکہ معذور افراد کے لیے پیشہ ورانہ مہارتوں کی ترقی اور روزگار کے مواقع کو فروغ دیا جاسکے۔ کمپنی نے (SOS Children's Villages Pakistan) ایس او ایس چلڈرنز ویلجز پاکستان میں بچوں کے لیے اسکول یونیفارم کی کفالت بھی کی، جس سے ان کی تعلیم اور مجموعی بہبود کو سہارا ملا۔

رمضان المبارک کے مقدس مہینے میں، کمپنی نے (سوشل ویلفیئر اینڈ ٹرسٹ) کے تعاون سے سیرت الحسنہ میں افطار ڈرائیو کی اسپانسرشپ کی، جس سے ہمدردی اور کمیونٹی کے اتحاد کو فروغ ملا۔ ماحولیاتی پائیداری کے لیے، ملازمین نے مینگرو و ڈائیورسٹی پارک میں مینگرو و شجرکاری ڈرائیو میں حصہ لیا، جبکہ حکومت خیبر پختونخوا کے تعاون سے گدون امازنی فیکٹری میں 400 پودوں کی شجرکاری مہم چلائی گئی۔ اس کے علاوہ، کمپنی نے صحت کے بارے میں آگاہی کے اقدامات کے ذریعے ذیابیطس کا عالمی دن منایا، جس میں ملازمین اور عام کمیونٹی میں صحت مند طرز زندگی اور بچاؤ کے اقدامات کی حوصلہ افزائی کی گئی۔

ان اقدامات کے ذریعے، کمپنی مثبت سماجی، ماحولیاتی اور کمیونٹی اثرات مرتب کرتے ہوئے ذمہ دارانہ کارپوریٹ شہریت کے اپنے عزم کو مسلسل مضبوط بنا رہی ہے۔

تربیت اور ترقی

کمپنی کا ماننا ہے کہ اپنے لوگوں میں سرمایہ کاری کرنا پائیدار نمو اور طویل المدتی کامیابی کے لیے بنیاد کی حیثیت رکھتا ہے۔ سیکھنے اور ترقی کے متنوع اقدامات کے ذریعے، ملازمین کو اس علم، مہارت اور سوچ سے آراستہ کیا گیا جو بدلتے ہوئے کاروباری ماحول میں عمدہ کارکردگی کے لیے ضروری ہے۔ مسلسل سیکھنے، تعاون اور جدت طرازی کی ثقافت سے رہنمائی لیتے

ہے۔ مسلسل سیکھنے، تعاون اور جدت طرازی کی ثقافت سے رہنمائی لیتے ہوئے، کمپنی کے تربیتی پروگراموں کا فوکس قیادت، اخلاقیات، کمیونیکیشن، مالیاتی خواندگی، صحت و بہبود، اور پیشہ ورانہ اعلیٰ معیار (ورک پلیس ایکسیلنس) پر رہا۔

تربیت اور ترقی

سال کے دوران، کمپنی نے اپنے فلیگ شپ لرننگ پلیٹ فارم کے ذریعے ملازمین کی صلاحیتوں کو مضبوط بنانا جاری رکھا، جو علم کے تبادلے اور پیشہ ورانہ ترقی کا ذریعہ ہے۔ ان سیشنز میں موضوعات کی ایک وسیع رینج کا احاطہ کیا گیا، جن میں شامل ہیں مصنوعی ذہانت (ایل ایل ایم کی طاقت)، ردِ عمل بمقابلہ فوری جواب، پائیداری (آگے بڑھنے کا واحد راستہ)، دماغ کہے ہاں، دل کہے نہیں، ٹیموں کو بااختیار بنانے کا فن، کام کی جگہ کے مثبت ماحول کے اثرات، اتحاد اور مذاکرات میں مہارت، ہر مشکل کا سامنا کریں اور آگے بڑھیں، کنٹرول: تنظیمی کامیابی کی کلید، ریٹائرمنٹ اور مالیاتی انتظام، عمل درآمد کی رفتار، پاور سرکل —اپنی قیادت اور زندگی کو تبدیل کریں، دیانت داری کی بنیاد، اور الپی توازن: شریعت کی حدود میں پیشہ ورانہ مہارت شامل تھے۔

صحت اور حفاظت

ملازمین کی صحت، سلامتی اور بہبود پورا سال ایک اہم ترجیح رہی۔ SOCH کے تعاون سے منعقدہ آگ سے حفاظت کے بارے میں ابتدائی تربیت (فائر سیفٹی انڈکشن)، ذہنی صحت کے بارے میں شعور اور آگاہی (مینٹل ہیلتھ) اور رمضان ہیلتھ کے سیشنز نے ہنگامی حالات کی تیاری، بچاؤ کے اقدامات اور ملازمین کی مجموعی صحت کو فروغ دیا۔

اس کے علاوہ، کمپنی نے ٹھیر و مین پاکستان کے تعاون سے ایک سیشن کارپوریٹ سیلف ڈیفنس: اپنی ساکھ کا تحفظ، کارکردگی اور پیشہ ورانہ اثرو رسوخ، کا انعقاد کیا، جس نے ملازمین کو اپنی پیشہ ورانہ موجودگی، ساکھ اور ورک پلیس میں اعتماد کو مضبوط بنانے کی عملی حکمت عملیاں فراہم کیں۔

ان اقدامات کے ذریعے، کمپنی ملازمین کو علم، مہارت اور اعتماد سے بااختیار بنا کر مسلسل سیکھنے کی ثقافت کو فروغ دے رہی ہے تاکہ وہ جدت طرازی، تنظیمی اقدار کی پاسداری، اور پائیدار کاروباری کامیابی میں اپنا کردار ادا کر سکیں۔

ڈائریکٹرز کی تربیت

کمپنی کے تمام ڈائریکٹرز اپنے فرائض منصبی کی بجا آوری کیلئے ہر لحاظ سے تربیت یافتہ ہیں اور کپینیز ایکٹ 2017 اور پاکستان اسٹاک ایکسچینج رول بک کے مطابق اپنی ذمہ داریوں اور اختیارات سے بخوبی آگاہ ہیں

آڈیٹرز

موجودہ آڈیٹرز مینرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس مالی سال اختتامیہ 30 جون 2026 کے سلسلے میں سالانہ آڈٹ مکمل کر چکے ہیں اور اس آڈٹ کے نتیجے میں ان کی جانب سے کلین رپورٹ پیش کی گئی ہے۔ موجودہ آڈیٹرز رواں مالی سال کے عام سالانہ اجلاس کے ساتھ ہی ریٹائر ہو جائیں گے اور اپنی اہلیت کی بنیاد پر ان کی جانب سے ایک مرتبہ پھر اپنی خدمات پیش کی گئی ہیں۔ آڈٹ کمیٹی کی جانب سے تجویز کئے جانے کے بعد، بورڈ کی جانب سے بھی تجویز دی گئی ہے کہ موجودہ آڈیٹروں کو ہی کمپنی کے اگلے مالی سال 30 جون 2027 کیلئے ایک مرتبہ پھر تعینات کر لیا جائے۔

مستقبل کی پیش بینی

میکرو اکنامک بنیادی ڈھانچے میں بہتری، زرمبادلہ کے ذخائر کی مضبوطی، ترسیلات زر میں تسلسل اور آئی ایم ایف پروگرام کے تحت جاری اصلاحات کے باعث پاکستان کا معاشی منظر نامہ حوصلہ افزا بنا ہوا ہے۔ ایس اینڈ پی گلوبل کی جانب سے میں اپ "B" پاکستان کی خود مختار کریڈٹ ریٹنگ کو مستحکم منظر نامے کے ساتھ گریڈ کرنا مالیاتی گورننس اور قرضوں کی پائیداری پر بڑھتے ہوئے اعتماد کا عکاس ہے۔ تاہم، پائیدار نمو کا انحصار مسلسل مالیاتی ڈسپن، ٹیکس نیٹ کی وسعت، برآمدی مسابقت کی مضبوطی اور ساختاتی اصلاحات کی تیز رفتاری پر رہے گا۔

اظہار تشکر

ڈائریکٹرز کی جانب سے کمپنی کے تمام ملازمین، عملے اور منتظمین کی کارکردگی کو خراج تحسین پیش کرتے ہوئے اسے قلم بند کیا جاتا ہے۔

برائے ومنجانب بورڈ



چیئرمین / ڈائریکٹر

بہقام کراچی: مؤرخہ 4 اگست 2026

ٹیکسٹائل اور اسپننگ سیکٹر کے زیرِ دباؤ رہنے کی توقع ہے۔ کپاس کی آمد میں بہتری کے باوجود ساختاتی چیلنجز برقرار ہیں جیسا کہ توانائی کے بلند ٹیرف، خام مال کی قیمتوں میں اتار چڑھاؤ، علاقائی مسابقت، لیکویڈیٹی کی قلت، اور برآمدی تعمیل کے بڑھتے ہوئے اخراجات۔ عالمی ٹیکسٹائل مارکیٹوں میں پاکستان کی پوزیشن کو مضبوط بنانے کے لیے مسابقتی لاگتی بنیاد اور مسلسل پالیسی امداد کا ہونا نہایت اہم ہے۔

توانائی کے مسلسل بلند اخراجات اور درآمد شدہ مبادلات کی جانب سے مسابقت کے باوجود، کمپنی لاگت کی بہتری، مکمل پیداواری صلاحیت کے استعمال، اور منظم ورکنگ کیپٹل مینجمنٹ کے ذریعے آپریشنل افادیت کو بڑھانے پر توجہ مرکوز رکھے ہوئے ہے۔ اسٹریٹجک طور پر، کمپنی ویلیو ایڈڈ سیکشنس میں توسیع، نئی غیر مستعمل مارکیٹوں تک رسائی، اور اپنے کیلنز

کس کو مزید بہتر بنانے پر کام جاری رکھے ہوئے ہے تاکہ منافع بخش کو مضبوط کیا جاسکے اور شیئرز ہولڈرز کو طویل المدتی پائیدار قدر فراہم کی جاسکے۔

منافع منقسمہ کی پالیسی

کمپنی کے حکمتِ عملی پر مبنی سرمایہ کاری کے منصوبوں، کاروباری سرمائے (ورکنگ کیپٹل) کی عملی ضروریات اور نقد سیال پزیری کی صورتحال کو مدِ نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فی حصص 5 روپے کے حتمی نقد منافع کی تجویز دی ہے۔

مابعد واقعات

رواں مالی سال کے اختتام سے رپورٹ ہذا کی تیاری کے درمیان تک ایسے کوئی اہم واقعات پیش نہیں آئے اور نہ ہی کمپنی پر ایسی کوئی ذمہ داریاں ہیں جن کے اثرات کمپنی کی مالیاتی پوزیشن پر مرتب ہوں۔



چیف ایگزیکٹو آفیسر

سپلائ کی چین اور عالمی لاجسٹکس میں رکاوٹیں: مال برداری کی شرحوں میں اتار چڑھاؤ، کنٹینرز کی قلت اور علاقائی بحری راستوں میں رکاوٹیں خام مال کی خریداری اور تیار دھاگے کی ترسیل، دونوں میں سنگین تاخیر کا سبب بن سکتی ہیں۔

توانائی کی قابل اعتماد فراہمی بمقابلہ گرڈ سے علیحدگی کا خطرہ: بلند توانائی نرخوں کے علاوہ، گرڈ سے حاصل ہونے والی بجلی کی غیر مستقل فراہمی اور تعطل کمپنی کو مہنگے خود ساختہ متبادل بجلی گھروں کو چلانے پر مجبور کرتے ہیں۔

مالیاتی اور قرض کے خطرات

قرض اور فریق ثانی کی نادہندگی کا خطرہ: مالی دباؤ کا شکار مقامی صارفین کے لیے مقامی دھاگے کی فروخت کی ادائیگی میں تاخیر یا نادہندگی کا خطرہ زیادہ ہوتا ہے، جس کے نتیجے میں کمپنی کے کھاتہ جات میں قابل وصول رقم کی عمر میں اضافہ ہو سکتا ہے۔

کرنسی میں اتار چڑھاؤ اور شرح مبادلہ کا خطرہ: روپے میں شدید اتار چڑھاؤ درآمد شدہ مشینری اور خام مال کی لاگت میں اضافہ کرتا ہے، جبکہ برآمدات سے حاصل ہونے والی غیر ملکی زرِ مبادلہ کی آمدنی کو انتہائی غیر یقینی بنادیتا ہے۔

بلند قرض گیری کے اخراجات: مسلسل بلند پالیسی شرح سود مالی اعانت اور قرض کے اخراجات میں نمایاں اضافہ کرتی ہے، جس سے خالص منافع کے مارجن پر دباؤ پڑتا ہے اور ورکنگ کیپیٹل کا انتظام محدود ہو جاتا ہے۔

مارکیٹ اور برآمدی طلب کے خطرات

عالمی طلب میں کمی اور جغرافیائی سیاسی کشیدگی: عالمی سطح پر جاری کساد بازاری کے دباؤ اور بدلتی ہوئی جغرافیائی سیاسی صورتحال ٹیکسٹائل مصنوعات کی بین الاقوامی طلب کو مسلسل کم کر رہی ہے، جس سے برآمدی آرڈرز برادراست متاثر ہوتے ہیں۔

علاقائی مسابقت میں اضافہ: مقامی اسپننگ شعبے کو علاقائی ٹیکسٹائل کمپنیوں کی جانب سے قیمت اور حجم کے حوالے سے شدید مسابقت کا سامنا ہے، جو بہتر معاشی مراعات کے تحت کام کر رہی ہیں۔

مالیاتی، ضابطہ جاتی اور تعمیلی خطرات

پیداواری اور یوٹیلیٹی اخراجات میں اضافہ: مسلسل افراط زر کے ساتھ گرڈ بجلی اور گیس کے نرخوں میں بار بار اضافے نے پیداواری اخراجات میں نمایاں اضافہ کر دیا ہے، جس سے کاروبار کی لاگت کے حوالے سے مسابقتی صلاحیت متاثر ہو رہی ہے۔

مالیاتی غیر یقینی اور لیکویڈیٹی کا تعطل: ٹیکس کے نظام میں ترامیم اور سیلز ٹیکس کی واپسی کے طویل اور مسلسل جاری چکروں کے باعث کمپنی کی اہم مالیاتی رقم طویل عرصے تک پھنس جاتی ہیں۔

ٹیرف اور تجارتی پالیسی کے خطرات: علاقائی سرحد پار محصولات میں ناموافق تبدیلیاں یا برآمدی سہولت کاری کی اچانک واپسی بین الاقوامی فروخت کے حجم میں کمی کا سبب بن سکتی ہے۔

کاروبار کی نوعیت میں تبدیلی

زیر نظر مالی سال کے دوران کمپنی سے متعلق بنیادی کاروباری افعال میں کوئی قابل ذکر تبدیلی واقع نہیں ہوئی ہے۔

ترتیب حصص داری

ترتیب حصص داری بتاریخ 30 جون 2026 اور دیگر اضافی معلومات کو آپ کی کمپنی کی سالانہ رپورٹ کا حصہ بنادیا گیا ہے۔ منسلکہ کمپنی 69.57 فیصد، اور پبلک سیکٹر کمپنیاں، بینک، انشورنس، میوچل فنڈز 7.46 فیصد، ڈائریکٹرز 0.05 فیصد اور انفرادی طور افراد 22.91 فیصد حصص کے مالک ہیں۔

قرضوں کی ادائیگیاں

آپ کی کمپنی میں ایک مؤثر حکمت عملی برائے ترسیل نقد رقم موجود ہے جس کے تحت وصول اور خرچ کی جانے والی نقد رقم کی باقاعدگی کے ساتھ کڑی نگرانی کی جاتی ہے۔ اس جامع حکمت عملی کی وجہ سے آپ کی کمپنی اپنے واجبات کی ادائیگی میں ہمیشہ مستعد ثابت ہوئی ہے اور امید ہے کہ اس سلسلے میں کسی بھی چیلنج سے نبرد آزما ہونے کیلئے آپ کی کمپنی ہمہ وقت تیار ہے۔ مزکورہ بالا نظام کے تحت آپ کی کمپنی کی ہمیشہ یہ کوشش رہی ہے کہ تمویلی لاگت ایک معقول حد سے آگے نہ بڑھ پائے، اس مقصد کے حصول کیلئے ذرائع تمویل میں ایک مناسب امتزاج اور مالیات کے مؤثر انتظام کو ترجیح دی جاتی ہے۔

کمپنی کی یہ روایت رہی ہے کہ اپنے ذمے واجب الادا واجبات کو بروقت ادا کیا جائے اور اسی مناسبت سے کمپنی کی تاریخ بشمول سال رواں میں کبھی ایسا نہیں ہوا کہ کمپنی کو اپنی ادائیگیوں کے سلسلے میں نادہندہ قرار دیا گیا ہو۔

مؤثر اندرونی مالیاتی کنٹرول

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ایک مؤثر اندرونی مالیاتی نظام مرتب کیا گیا ہے۔ اس نظام کے تحت تمام کاروباری امور کو مستعد اور مؤثر انداز سے چلایا جاتا ہے اور اس بات کو ممکن بنایا جاتا ہے کہ کسی بھی قسم کی بدعنوانی، فریب اور غلطیوں کی نشاندہی کی جاسکے اور ان کا تدارک بھی کیا جائے، کمپنی کے اثاثوں کی حفاظت کو ممکن بنایا جائے، تمام قواعد و ضوابط کی پاسداری کو ممکن بنایا جائے، محاسبی کے تمام کھاتے ہر لحاظ سے مکمل اور صحیح ہوں اور بروقت ایسی مالیاتی دستاویزات تیار کی جائیں جو معاملات کی حقیقی عکاس ہوں۔ اندرونی مالیاتی نظام پر وقتاً فوقتاً نظر ثانی کی جاتی ہے تاکہ اس بات کو ممکن بنایا جاسکے کہ نظام مؤثر انداز سے کام کرنے کے ساتھ ساتھ نئے قوانین و ضوابط کی روشنی میں وقت کے تقاضوں پر بھی پورا اثر رہا ہے۔

سسٹینیبلٹی (پائیداری) سے متعلق خطرات

کمپنی نے ہماری بنیادی کاروباری حکمت عملی میں پائیداری کو فعال حصہ بنایا ہے۔ کاروباری خدشات کا مسلسل جائزہ، اسٹیک ہولڈر کے ساتھ بھرپور تعلق، عملے کی صلاحیتوں کی ترقی اور پائیدار ٹیکنالوجیز میں سرمایہ کاری، ان خدشات سے متعلق ہمارے رد عمل کے اہم ستون ہیں۔ ہم عالمی پائیداری کے رجحانات کی بھی نگرانی کرتے ہیں تاکہ یہ یقینی بنایا جاسکے کہ ہم بہترین طریقوں اور صنعت کے معیارات کے ساتھ ہم آہنگ رہیں۔

پائیداری سے متعلق خطرات میں ماحولیاتی، سماجی، اور نظم و نسق کے عوامل، سپلائی چین کی کمزوریاں، ریگولیٹری تقاضوں کی تعمیل کے خطرات، کمپنی کی ساکھ سے متعلق خطرات، اور تکنیکی اور وسائل کی منتقلی کے خطرات شامل ہیں۔ مینجمنٹ نے واضح اور قابل پیشکش ماحولیاتی، سماجی اور نظم و نسق کے اہداف مقرر کیے ہیں جو دیرپا اہداف حاصل کرنے اور ایک مثبت سماجی اثر پیدا کرنے کے کمپنی کے اسٹریٹجک مقصد سے ہم آہنگ ہیں۔

بورڈ کی کمیٹیاں:

ذیل میں بورڈ آڈٹ، اور سسٹینیبلی انسانی وسائل اور ادائیگی کی کمیٹیوں کے اراکین کی تفصیلات پیش کی جا رہی ہیں:

آڈٹ کمیٹی:

نام	عہدہ
جناب سید محمد شہر زیدی	چیئر مین
جناب معین ایم فُدا	رکن
جناب جاوید یونس ؔبہ	رکن
جناب محمد حسن ؔبہ	رکن
محترمہ فوزیہ حسنین	رکن

انسانی وسائل و ادائیگیوں کی کمیٹی:

نام	عہدہ
جناب معین ایم فُدا	چیئر مین
محترمہ فوزیہ حسنین	رکن
جناب ابراہیم سہیل ؔبہ	رکن

سسٹینیبلی کمیٹی:

نام	عہدہ
محترمہ فوزیہ حسنین	چیئر مین
جناب معین ایم فدا	رکن
جناب ابراہیم سہیل ؔبہ	رکن

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں اراکین کی حاضری:

نمبر شمار	ڈائریکٹرز	عہدہ	حاضری		انسانی وسائل و ادائیگیوں کی کمیٹی	سسٹینیبلی کمیٹی
			بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی		
1	جناب محمد علی ؔبہ	چیئر مین	5 / 4	4 / 3	N / M	N / M
2	جناب محمد سہیل ؔبہ	چیف ایگزیکیو ٹیو	5 / 5	*4 / 4	N / M	N / M
3	جناب جاوید یونس ؔبہ	غیر انتظامی ڈائریکٹر	5 / 5	4 / 4	N / M	N / M
4	جناب محمد حسن ؔبہ	غیر انتظامی ڈائریکٹر	5 / 5	N/M	N / M	N / M
5	جناب ابراہیم سہیل ؔبہ	غیر انتظامی ڈائریکٹر	5 / 2	*4 / 4	N / M	1 / 1
6	جناب سید محمد شہر زیدی	خود مختار ڈائریکٹر	5 / 4	4 / 4	N / M	N / M
7	جناب معین ایم فُدا	خود مختار ڈائریکٹر	5 / 5	4 / 4	1 / 1	1 / 1
8	محترمہ فوزیہ حسنین	خود مختار ڈائریکٹر	5 / 6	4 / 4	1 / 1	1 / 1

◦ جناب محمد سہیل ؔبہ نے آڈٹ اور انسانی وسائل و ادائیگیوں کی کمیٹیوں کے تمام اجلاسوں میں شرکت کی جن کیلئے انھیں مدعو کیا گیا تھا۔
N/M: رکن نہیں ہیں

جو اراکین بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت نہ کر سکے انھیں اس سلسلے میں رخصت دی گئی تھی۔

غیر انتظامی ڈائریکٹرز کے مشاہرے سے متعلق پالیسی

کمپنی کے آر ٹیکلز کی رو سے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کے مشاہرے متعین کرنے کا مجاز ہے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے غیر انتظامی اور خود مختار ڈائریکٹرز کے مشاہرے سے متعلق ایک جامع پالیسی مرتب کی گئی ہے۔ پالیسی کے مطابق:-

- ڈائریکٹرز کے مشاہرے کا تعین کرتے وقت مارکیٹ میں مروجہ تنخواہوں کے ساتھ ساتھ امیدواروں کے تجربے اور مہارتوں کو بھی ملحوظ خاطر رکھا جائے گا۔

- کمپنی کی جانب سے خود مختار ڈائریکٹرز کو مشاہرے کی ادائیگی بطور تنخواہ نہیں کی جائے گی بلکہ بورڈ یا اس کی کسی کمیٹی کے اجلاس میں شرکت کے عوض انہیں فیس ادا کی جائے گی۔

- بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کیلئے ڈائریکٹرز کو ادا کی جانے والی فیس کا تعین وقت کی مناسبت سے بورڈ آف ڈائریکٹرز کی منظوری کے ساتھ کیا جائے گا۔

- انسانی وسائل و ادائیگیوں کی کمیٹی، ڈائریکٹرز کی بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کے مشاہرے کا تعین اور اس سے متعلق سفارشات پیش کرے گی جو کے وقتاً فوقتاً بورڈ کی منظوری سے مشروط ہو گا۔ خود مختار ڈائریکٹرز کا مشاہرہ، ان کی بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں حقیقی حاضری سے منسلک ہو گا۔

- ڈائریکٹرز کو کمپنی کے بورڈ آف ڈائریکٹرز، بورڈ کی کمیٹیوں کے اجلاسوں یا کمپنی کے سالانہ اجلاس عام میں شرکت کیلئے کئے جانے والے سفری، قیام اور دیگر اخراجات کی ادائیگی کی جائے گی۔

- کوئی بھی ڈائریکٹر اگر کوئی ایسی خدمات سر انجام دے جو کہ بورڈ کی رائے میں قانوناً ڈائریکٹرز کی ذمہ داری نہیں ہے تو اس صورت میں ایسے ڈائریکٹر کو اضافی مشاہرہ بھی ادا کیا جاسکتا ہے۔

ڈائریکٹرز کے مشاہرے سے متعلق تفصیلات

کمپنی کا ایک ہی انتظامی ڈائریکٹر ہے جو کہ کمپنی کا چیف ایگزیکیو ٹیو بھی ہے۔ ذیل میں دوران سال چیف ایگزیکیو ٹیو کو ادا کئے گئے مشاہرے سے متعلق تفصیلات درج کی جا رہی ہیں:

	2026	2025
	-----	روپے ہزاروں میں -----
مشاہرہ	30,000	30,000
بونس	2,500	2,500
دیگر فوائد	2,500	2,500
	<u>35,000</u>	<u>35,000</u>

کسی بھی غیر انتظامی ڈائریکٹر کو کوئی مشاہرہ ادا نہیں کیا گیا ماسوائے اجلاسوں میں شرکت کی فیس کے جو 3.25 ملین روپے بنتی ہے (2025 میں یہ فیس 2.215 ملین روپے تھی)۔

اہم رسک اور غیر یقینی صورتحال

ہر کاروبار کو کئی قسم کے خطرات اور غیر یقینی صورتحال کا سامنا رہتا ہے، اگر ان مسائل سے مناسب انداز سے نہ نمٹا جائے تو یہ کمپنی کیلئے سنجیدہ مسائل اور نقصانات کا باعث بن سکتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کو لاحق ممکنہ اندرونی اور بیرونی خطرات کی باقاعدہ نگرانی کی جاتی ہے اور ان کا گہرائی کے ساتھ تجزیہ بھی کیا جاتا ہے۔ ذیل میں ایسے چند خطرات کا ذکر کیا جا رہا ہے جن سے کمپنی کو سابقہ رہتا ہے

آپریشنل اور سپلائی چین کے خطرات

خام مال کی قیمتوں میں اتار چڑھاؤ اور موسمیاتی خطرات: مقامی کپاس کی فصلوں پر زیادہ انحصار کمپنی کو شدید موسمی حالات، مثلاً ہیٹ ویوز اور کیڑوں کے دباؤ، سے پیدا ہونے والی رکاوٹوں سے دوچار کرتا ہے۔ اس کے نتیجے میں مقامی سطح پر خام مال کی شدید قلت پیدا ہوتی ہے اور مہنگی درآمد شدہ کچی روئی پر زیادہ انحصار کرنا پڑتا ہے، جس سے آپریٹنگ مارجن متاثر ہوتے ہیں۔

خام مال کی قیمتوں میں اتار چڑھاؤ: کچی روئی اور مصنوعی ریشوں کی قیمتوں میں اتار چڑھاؤ بجٹ کی پیش گوئی میں رکاوٹ بنتا ہے، طویل مدتی معاہدوں کو پیچیدہ بناتا ہے اور منافع کے مارجن کو محدود کرتا ہے۔

ٹیکنالوجی کا متروک ہونا: خود کاری، مصنوعی ذہانت اور جدید کپڑ سازی کی ٹیکنالوجی میں تیز رفتار عالمی ترقی کے باعث پرانے پیداواری اثاثوں پر انحصار کرنے والی کمپنیوں کے پیچھے رہ جانے کا خطرہ ہے، جس سے علاقائی اور عالمی منڈی میں مسابقتی حیثیت متاثر ہو سکتی ہے۔

رواں مالی سال کے دوران، مالی سال کے آخری نصف میں طلب میں بہتری کے باعث سوت کی مجموعی فروخت میں گزشتہ مالی سال کی اسی مدت کے مقابلے میں 7.46 فیصد اضافہ ہوا۔ بُنی ہوئی چادروں کے شعبے کی فروختگی میں بھی مستحکم نمود دیکھی گئی، جس نے مجموعی فروختگی میں نمایاں حصہ ڈالا۔ تاہم، حجم میں بہتری کو توانائی کی بلند لاگت نے جزوی طور پر متاثر کیا۔

لاگت تبادلہ میں اضافے، خاص طور پر توانائی اور گیس کی بلند قیمتوں کے باعث کمپنی کی خام شرح منافع شدید دباؤ میں رہی، تاہم، کمپنی نے موثر خریداری، مصنوعات اور توانائی کے بہتر امتزاج، آپریشنل افادیت اور قابل تجدید توانائی کے بڑھتے ہوئے استعمال کے ذریعے ان کے اثرات کو کم کیا۔

لاگت برائے ترسیل مال میں اضافے کی بنیادی وجہ بُنی ہوئی چادروں کے شعبے کے حجم اور سوت کی برآمدات میں اضافے کے ساتھ لاجسٹکس اخراجات میں ہونے والا اضافہ ہے۔ جبکہ انتظامی اخراجات میں اضافے کی وجہ افراط زر کے اثرات ہیں۔

تموہلی لاگت جو کہ گزشتہ مالی سال کی اسی مدت 2523.73 ملین روپے تھی، رواں مالی سال میں 3.39 فیصد سے کم ہو کر 2438.12 روپے پر کم و بیش مستحکم رہی جس کی وجہ سوت کتنا ئی کے شعبے میں عمومی طور پر کاروباری سرمائے (ورکنگ کیپیٹل) کی ضروریات کا زیادہ ہونا اور کمپنی کی طرف سے قابل تجدید توانائی اور کم توانائی استعمال کرنے والی مشینری میں کی گئی کیپیٹل سرمایہ کاری ہے۔

مالی سال کے دوران، کمپنی نے حکومتِ سندھ کے ساتھ اپنا 2.8 ارب روپے کا واجب الادا سندھ انفراسٹرکچر ڈیولپمنٹ سیس کا معاملہ طے کر لیا، جو جولائی 2027ء تک 45 فیصد اور بقایا 55 فیصد 48 سہ ماہی قسطوں میں قابل ادائیگی ہے۔ اس واجب الادا رقم کو 11.88 فیصد کی سالانہ شرح پر موجودہ قدر پر تسلیم کیا گیا ہے، جس کے نتیجے میں 932.05 ملین روپے کا تنزیلی منافع حاصل ہوا جسے "دیگر آمدنی" کے تحت درج کیا گیا ہے۔

شریک کمپنیوں سے حاصل شدہ آمدن میں سے منافع کے حصے میں 29.5 فیصد کی شدید کمی ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت کے 1,217.27 ملین روپے کے مقابلے میں 858 ملین روپے رہ گئی جس کی بنیادی وجہ ترمیم شدہ ٹیرف اسٹرکچر ہے جس نے شریک کمپنی میں شیئر ہولڈرز کے منافع کو متاثر کیا۔

سال کے دوران کمپنی نے تقریباً 6,016 ملین روپے کی کیپٹل سرمایہ کاری کی، جو بنیادی طور پر کمپنی کے سوت کتنا ئی اور اضافی قدر کے شعبے میں جدید ٹیکنالوجی کی حامل مشینری کی تنصیب پر خرچ کے ساتھ ساتھ اور قابل تجدید توانائی پر بھی صرف ہوئے۔ ان سرمایہ کاریوں کا مقصد پیداوار، توانائی کی بچت اور کوالٹی کو بہتر بنانا اور اضافی قدر کے شعبے کی مصنوعات میں کمپنی کی مسابقتی صلاحیت کو مضبوط بنانا ہے۔

مختلف شعبوں میں کاروباری کارکردگی کا جائزہ

آپ کی کمپنی میں کاروباری افعال کو بنیادی طور پر دو شعبوں میں منقسم کیا گیا ہے:

سوت کتنا ئی کا شعبہ: سوت سازی اور فروخت

بنائی کا شعبہ: کپڑے کی بُنائی اور بُنی ہوئی چادروں کی فروخت

غیر مختص شعبہ جات بشمول دودھ کی پیداوار و فروخت اور کپڑے کی رنگائی اور پروسینگ

کمپنی کے مختلف شعبوں کی کارکردگی کا ذیل میں جائزہ پیش کیا جا رہا ہے:

سوت آسانی	بنائی	سوت آسانی	بنائی
2026		2025	
روپے ہزاروں میں			
14,209,491	59,099,122	55,033,875	12,309,496
1,394,217	2,188,391	2,142,837	946,485

اہم ترین طویل المدت سرمایہ کاری کی نوعیت

رواں مالی سال کے دوران، کمپنی نے اپنی شریک کمپنیوں، ٹرائی کوم سولر پاور (پرائیویٹ) لمیٹڈ اور یونس ونڈ پاور لمیٹڈ میں مزید کوئی سرمایہ کاری نہیں کی۔

اس سے قبل، کمپنی اپنے حصص داران سے مورخہ 13 اپریل، 2018 کو ٹرائی کوم سولر پاور (پرائیویٹ) لمیٹڈ اور یونس ونڈ پاور لمیٹڈ میں سرمایہ کاری کی منظوری حاصل کر چکی تھی۔ سابقہ منظوری کے ابتدائی 12 ماہ کے بعد ان منظوریوں کی معیاد کے اختتام پر، کمپنی نے بتاریخ 20 مارچ، 2019 کو منعقدہ غیر معمولی اجلاس عام میں حصص داران سے سرمایہ کاری کی مدت میں توسیع کی منظوری حاصل کی جو کہ 4 سال کا عرصہ یا پروجیکٹ کے کمرشل آپریشن کے حصول تک ہے (جو بھی بعد میں وقوع پزیر ہو)۔

بورڈ کا امتزاج

لسنڈ کمپنیوں کے قواعد (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت کمپنی کی جانب سے بورڈ میں خود مختار اور غیر انتظامی ڈائریکٹرز کی نمائندگی کو یقینی بنایا گیا ہے۔ اس کے علاوہ بورڈ میں صنفی متنوع نمائندگی کو بھی یقینی بنایا گیا ہے۔

ڈائریکٹر کا استعفی اور تقرر

جس کی تفصیل درج ذیل پر مشتمل ہے۔

بتاریخ 30 جون 2026 کمپنی کے بورڈ آف ڈائریکٹرز میں ممبران کی کل تعداد آٹھ ہے بشمول چیف ایگزیکیوٹیو جو کہ بحیثیت Deemed ڈائریکٹر اپنے فرائض سرانجام دے رہے ہیں۔

ڈائریکٹرز کی کل تعداد	
الف) مرد	07
ب) خواتین	01

بورڈ آف ڈائریکٹرز کی ترتیب

تفصیلات	تعداد	نام
ا) خود مختار ڈائریکٹرز	03	جناب سید محمد شہر زیدی جناب معین ایم فدا محترمہ فوزیہ حسنین
ب) انتظامی ڈائریکٹر	01	جناب محمد سہیل عنبہ
ج) دیگر غیر انتظامی ڈائریکٹرز	04	جناب محمد علی عنبہ جناب جاوید یونس عنبہ جناب محمد حسن عنبہ جناب ابراہیم سہیل عنبہ

ڈائریکٹرز رپورٹ برائے ممبران

عزیز ممبران

آپکی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ 30جون2026کو ختم ہونے والے مالی سال سے متعلق مالیاتی نتائج آپکی خدمت میں پیش کر رہے ہیں۔

جائزہ

آپکی کمپنی بنیادی طور پر سوئی دھاگے اور بٹے ہوئے کپڑے کی مصنوعات کی تیاری و فروخت، رنگائی اور پروسسینگ کے ساتھ دودھ کی پیداوار اور فروخت کے کاروبار سے منسلک ہے۔ اپنے صارفین کو سہولیات فراہم کرنے اور لاگت کے اثرات کو کم از کم سطح پر رکھنے کی غرض سے کمپنی کی جانب سے ایک حکمت عملی کے تحت اپنی صنعت سازی کے عمل کو شمالی اور جنوبی جغرافیائی محل وقوع میں منقسم کر رکھا ہے۔

رواں مالی سال کے دوران ٹیکسٹائل کی صنعت بالخصوص سوت کٹائی کے شعبے کو متعدد چیلنجز کا سامنا رہا۔ اس کے باوجود، آپ کی کمپنی کی کل فروختگی گزشتہ مالی سال کی اسی مدت کے 170.98ارب روپے کے مقابلے میں 7.07فیصد سے بڑھ کر 75.99ارب روپے تک پہنچ گئی، جو صارفین کے مسلسل اعتماد کی عکاسی کرتی ہے۔ تاہم، قیمتوں میں محدود ہلک کے ساتھ لاگت تالہ (کنورژن) میں اضافے نے خام شرح منافع پر اپنا دباؤ برقرار رکھا۔ اس پس منظر میں، کمپنی نے گزشتہ مالی سال کی اسی مدت کے 2.32ارب روپے کے مقابلے میں 2.62ارب روپے کا خالص منافع حاصل کیا۔

معاشی منظر نامہ

زیر جائزہ سال کے دوران عالمی معیشت کو غیر متوازن پیش رفت اور بڑھتی ہوئی عدم استحکام کی صورت حال جیسے متعدد چیلنجز درپیش رہے۔ علاقائی تنازعات کے باعث رسد و ترسیل کے نظام (سپلائی چین) متاثر رہیں اور توانائی کی قیمتوں، فریٹ اور انشورنس کی لاگت میں اتار چڑھاؤ برقرار رہا۔ بلند شرح سود، تجارتی پالیسی کی غیر یقینی صورت حال اور تحفظ پسندانہ اقدامات نے عالمی معاشی سرگرمیوں پر مزید دباؤ ڈالا۔

وطن عزیز پاکستان کے لیے مالی سال 2025-26 پیچیدہ بیرونی ماحول کے باوجود، بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے تعاون سے جاری اصلاحاتی پروگرام کے تحت میکرو اکنامک استحکام کا حامل رہا۔ ملک میں مستحکم شرح مبادلہ برقرار رہی، زر مبادلہ کے ذخائر مضبوط رہے، افراط زر قابو میں رہا، بیرونی کھاتوں کا توازن مستحکم رہا اور مالیاتی نظم و ضبط میں مزید بہتری حاصل ہوئی۔ تاہم، مالی

سال کے آخری حصے میں بڑھتی ہوئی جغرافیائی سیاسی کشیدگی نے علاقائی تجارت کو متاثر کیا اور عالمی سطح پر توانائی کی قیمتوں، فریٹ اور انشورنس کے اخراجات میں نمایاں اضافہ کر دیا۔ ان بیرونی بحرانوں کے اثرات ملکی معیشت پر بھی مرتب ہوئے، جس سے توانائی کی قیمتوں اور لاجسٹکس اخراجات میں اضافے کی وجہ سے افراط زر کا مستحکم رجحان متاثر ہوا۔

رواں مالی سال کے دوران، ملک کے بیرونی کھاتوں کے توازن پر دوبارہ دباؤ دیکھا گیا کیونکہ جاری کھاتوں میں 139 ملین امریکی ڈالر کا خسارہ ریکارڈ ہوا۔ تجارتی خسارے میں نمایاں اضافہ ہوا کیونکہ درآمداتی بل گزشتہ مالی سال کی اسی مدت کے 64,507 ملین ڈالر کے مقابلے میں 7.89 فیصد بڑھ کر 69,597 ملین ڈالر ہو گیا۔ اس کے برعکس، ملک کی برآمدات گزشتہ مالی سال کی اسی مدت کے 32,040 ملین ڈالر کے مقابلے میں 5.97 فیصد کم ہو کر 30,126 ملین ڈالر رہیں۔ اس خسارے کو بیرون ملک مقیم پاکستانیوں کی ترسیلات زر سے بڑی حد تک سہارا ملا، جو گزشتہ مالی سال کی اسی مدت کے 38.3ارب ڈالر کے مقابلے میں 8.6 فیصد اضافے کے ساتھ 41.6ارب ڈالر کی ریکارڈ سطح پر پہنچ گئیں، جس نے بیرونی شعبے کی ادائیگی کی صلاحیت کے لیے ایک اہم بفر کا کام کیا۔

رسد و ترسیل کے نظام میں رکاوٹوں، توانائی کی بلند قیمتوں اور لاجسٹکس کے بڑھتے ہوئے اخراجات کی وجہ سے مالی سال کے دوران افراط زر کے دباؤ نے دوبارہ سراٹھایا۔ ابھرتے ہوئے افراط زر کے خدشات کو مد نظر رکھتے ہوئے، بینک دولت پاکستان (ایس بی پی) نے اپنی حالیہ مانیٹری پالیسی کمیٹی کے اجلاس میں پائیدار معاشی نمو کو سہارا دینے اور میکرو اکنامک استحکام کو برقرار رکھنے کے لیے پالیسی ریٹ کو 11.5 فیصد کی سطح پر برقرار رکھنے کا فیصلہ کیا۔ قبل ازیں، ایس بی پی نے سال کے اوائل میں پالیسی ریٹ کم کر کے 10.5 فیصد کر دیا تھا— جس میں اپریل 2026ء میں 100 بیسس پوائنٹس کا اضافہ کر کے 11.5 فیصد کر دیا، جو جون 2023ء کے بعد پہلا اضافہ تھا۔

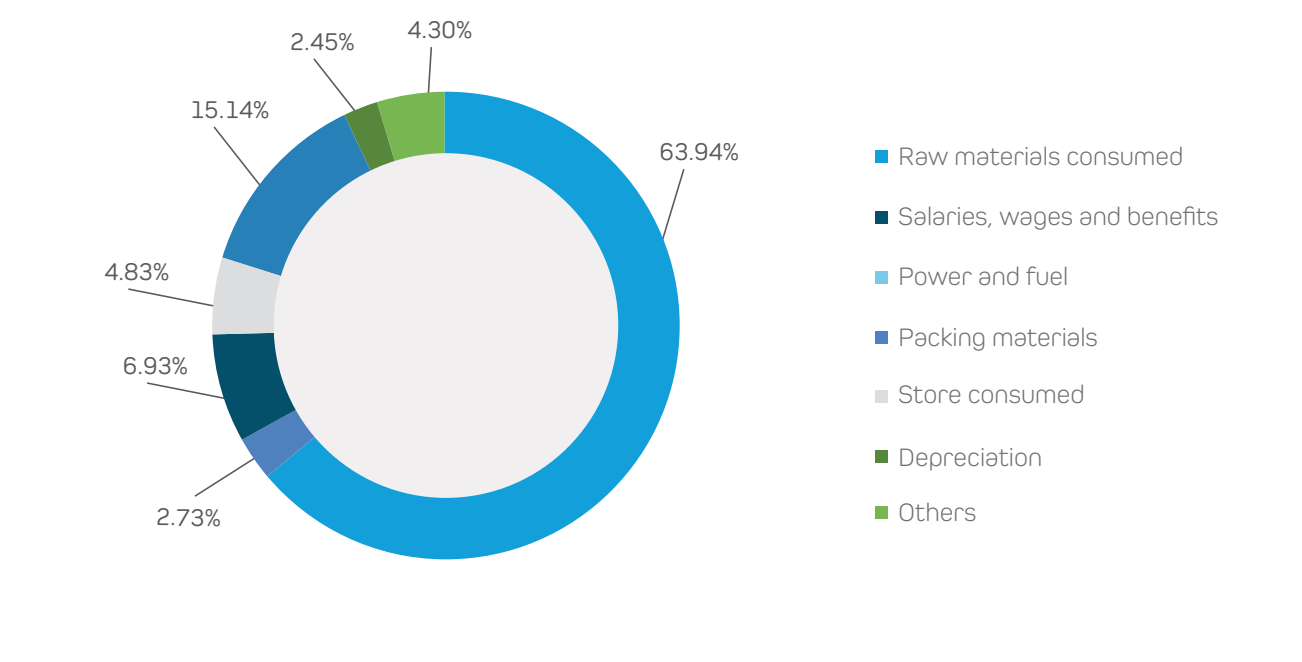
مقامی کاٹن کی پیداوار نے بحالی کے حوصلہ افزا آثار دکھائے۔ پاکستان کاٹن جزر ایسوسی ایشن کی تازہ ترین اشاعت کے مطابق، 15 جولائی 2026ء تک کپاس کی آمد 527,900 گانٹھوں تک پہنچ گئی، جبکہ گزشتہ سال کی اسی مدت میں یہ تعداد 297,751 گانٹھیں تھیں، جو مقامی کپاس کی دستیابی میں نمایاں اضافے کی نشان دہی کرتی ہے۔ اگرچہ اس بہتری سے ٹیکسٹائل ویلیو چین کو کچھ ریلیف ملنے کی توقع ہے، لیکن مقامی پیداوار، صنعت کی سالانہ ضرورت سے کافی کم ہے، جس کی وجہ سے درآمدی کپاس پر انحصار برقرار رکھنا ضروری ہے۔

مالیاتی کارکردگی

زیر نظر مالی سال اختتامیہ 30جون 2026 سے متعلق کمپنی کے اہم مالیاتی نتائج کا موازنہ ذیل میں پیش خدمت ہے:

خلاصہ برائے نفع و نقصان	June 30, 2026	June 30, 2025	مثبت/ (منفی) فیصد
	روپے ہزاروں میں		
فروختگی (مائی)	75,995,927	70,979,986	7.07
خام منافع	5,952,997	6,326,054	(5.90)
لاگت برائے ترسیل مال	1,044,449	887,641	(17.67)
لاگت برائے انتظامی امور	722,894	585,309	(23.51)
دیگر اخراجات برائے کاروباری افعال	238,639	432,295	44.80
تجوبیلی لاگت	2,438,123	2,523,731	3.39
دیگر آمدن	1,415,811	1,702,133	(16.82)
ایس آئی ڈی سی کی دوبارہ پیمائش سے نفع	932,048	-	0.00
منافع قبل از ٹیکس	3,856,751	3,599,211	7.16
منافع بعد از ٹیکس	2,628,528	2,391,904	9.89
آمدن فی حصص (روپے)	93.78	85.33	

لاگت برائے پیداوار کا تجزیہ ذیل میں پیش کیا جا رہا ہے



پیداواری لاگت کا اہم حصہ خام مال پر مشتمل ہے، جو کہ 63.94 فیصد (2025: 65.86 فیصد) ہے۔ دریں اثنا، بجلی کی قیمتیں بڑھ کر 15.14 فیصد (2025: 14.30 فیصد) ہو گئی ہیں، کمپنی اس چیلنج سے نہ صرف بخوبی آگاہ ہے بلکہ فعال صلاحیتوں، پروڈکٹ مکس کی بہتری اور قابل تجدید توانائی کے زیادہ استعمال کے ذریعے سے نمٹنے کے لئے کوشاں ہے۔



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