ANNUAL REPORT 2026

J.K. SPINNING
MILLS LIMITED

بسم الله الرحمن الرحيم

Contents

Company Information

Chairperson
Mrs. Farhat Jehan

Chief Executive
Mr. Faiq Jawed

Directors
Mr. Shaiq Jawed
Mrs. Nageen Faiq
Mrs. Sadaf Aamir Arshad
Mr. Muhammad Tayyab Zahid
Syed Sohaib Mansoor Naqvi

Audit Committee
Chairman	Syed Sohaib Mansoor Naqvi
Members	Mrs. Farhat Jehan
	Mrs. Sadaf Aamir Arshad

HR Committee
Chairman	Mr. Muhammad Tayyab Zahid
Members	Mr. Shaiq Jawed
	Syed Sohaib Mansoor Naqvi

Risk Management Committee
Chairman	Mr. Faiq Jawed
Members	Mr. Shaiq Jawed
	Syed Sohaib Mansoor Naqvi

Nomination Committee
Chairperson	Mrs. Farhat Jehan
Members	Mr. Faiq Jawed
	Mr. Shaiq Jawed

Sustainability Committee
Chairman	Mr. Muhammad Tayyab Zahid
Members	Mr. Shaiq Jawed
	Mrs. Sadaf Aamir Arshad

Director Finance
Mr. Ghulam Muhammad

Chief Financial Officer
Khawaja Nadeem Abbas

Company Secretary
Mr. Ghulam Muhammad

Head of Internal Audit
Mr. Farhan Safdar

Auditors
Riaz Ahmad & Company
Chartered Accountants

Legal Advisor
Mahfooz Ahmad khan Advocates

Registrar's and Share Registration office
CORPTEC Associates (Pvt.) Ltd.,
503-E, Johar Town, Lahore

Bankers
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
National Bank of Pakistan
Habib Bank Limited
Meezan Bank Limited
Askari Bank Limited
Summit Bank
The Bank of Khyber
Dubai Islamic Bank
Industrial and Commercial Bank of China

Registered office
34-Falcon Enclave, Tufail Road,Lahore
Cantt. Lahore.

Head Office & Mills
29-KM, Sheikhupura Road, khurrianwala
Faisalabad.

Zonal Office/ Department of Sales & Marketing
Office No. 411, 4th Floor, Haji Adam
Chamber, Altaf Hussain Road, Karachi.

VISION

To enter into global economy accepting the challenge of barrier free trade as a dynamic force.

MISSION

To turn around performance of company into sustainable growth for the benefit of its stake holders.

To stand the test of expectations of our valued customers redefining excellence with craft, creativity, professionalism and quality control.

To strive hard for boosting exports of country to earn more foreign exchange to rebuild economy.

Chairperson's Review

It is my privilege to be serving as the chairperson of the Board of Directors of J.K. Spinning Mills Limited. I am also grateful to our esteemed shareholders and directors of the company for entrusting me with guiding direction of the company and assure that all of my efforts will continue to be aimed at steering the company towards consistent qualitative and quantitative growth, further satisfied to present the chairperson review according to the Companies Act 2017, on overall performance of the BOARD and effectiveness of the role played by BOARD members in achieving company goals.

Farhat Jehan
Chairperson

Chairperson's Review

ECONOMIC OUTLOOK

Pakistan's economy demonstrated a gradual recovery during FY2025–26, with real GDP growth improving to 3.70%, compared with revised growth of 3.18% in the preceding fiscal year. While macroeconomic stabilization, improved sectoral performance and ongoing structural reforms supported this recovery, economic gains remained vulnerable to external uncertainties, climate-related challenges and persistent structural constraints.

KEY ECONOMIC INDICATORS & TRENDS

GDP Growth:
Forecasts range from 2.7% (UN) to 3.1% (World Bank, Ministry of Planning) for FY2026, reflecting a recovery from previous contractions but remaining at a tepid pace.

Inflation:
Easing inflation remained a major support for economic growth, with the State Bank of Pakistan maintaining an inflation outlook within the 5–7% target range for FY2025–26, while the policy rate was reduced to 11.5% by June 2026, supporting improved financial conditions and economic activity.

Fiscal Consolidation:
Fiscal performance strengthened during FY2025–26, supported by improved revenue mobilization, higher tax collections, prudent expenditure management and continued fiscal consolidation aimed at enhancing fiscal sustainability.

Monetary Policy:
Monetary conditions remained supportive during FY2025–26, with earlier rate cuts supporting economic activity, while the SBP maintained a cautious stance amid inflationary and external pressures.

DRIVING FACTORS FOR GROWTH

Reforms:
Continued implementation of structural reforms under the IMF Extended Fund Facility remains critical to strengthening macroeconomic stability and supporting sustainable long-term growth.

Investment:
Investment activity strengthened during FY2025–26, supported by exchange-rate stability, improving business confidence, lower interest rates and a more conducive macroeconomic environment.

Macroeconomic Stability:
The ongoing IMF-supported reform program and continued fiscal and structural reforms have strengthened macroeconomic stability and improved investor confidence.

CHALLENGES & HEADWINDS

Sectoral Weakness:
Despite a broad-based recovery, agriculture remained vulnerable to adverse weather conditions and the monsoon floods, while global energy-price volatility and supply-chain disruptions continued to pose challenges to industrial activity.

Job Creation:
Although economic activity improved, sustaining growth and generating sufficient employment remain important challenges, particularly amid structural constraints and the need for higher productivity and private-sector investment.

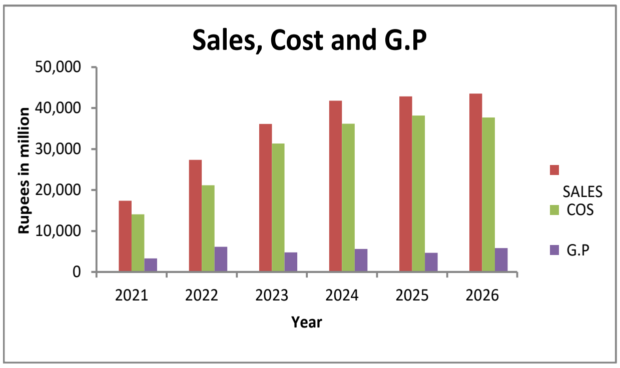
External & Climate Risks:
Global economic uncertainty, regional tensions, volatile energy prices and climate-related events continue to pose risks to Pakistan's economic stability, fiscal position and growth outlook.

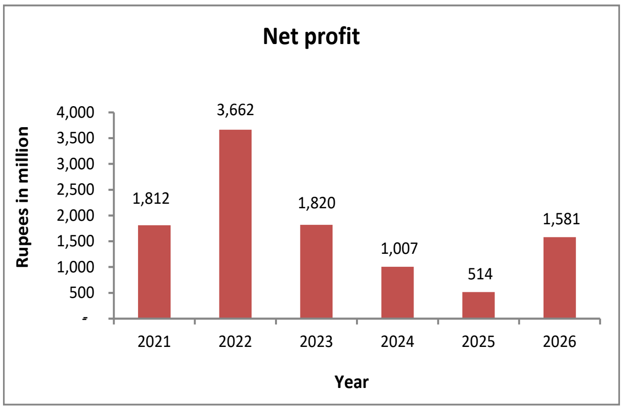
BUSINESS PERFORMANCE

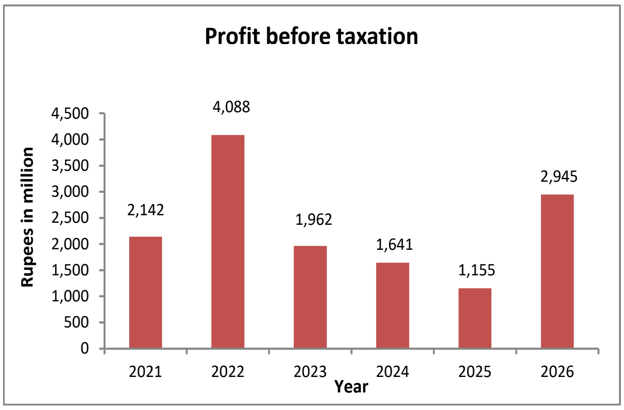
In this fiscal year the management of JKS demonstrated a steadfast commitment to driving growth through strategic customer engagement.

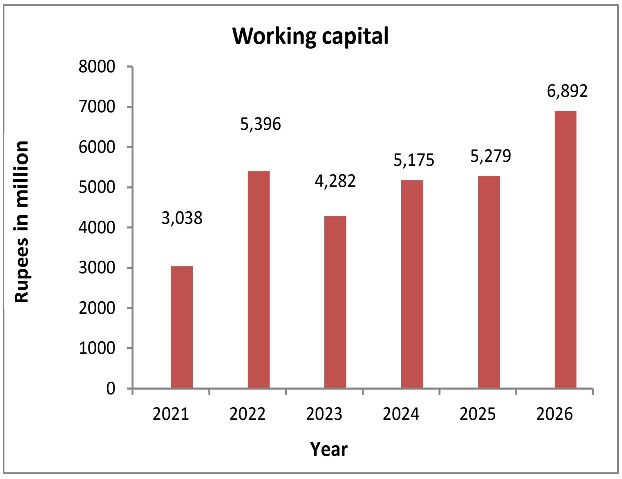
We underwrote our highest-ever revenue of Rs. 43.512 billion, an increase of 1.57% over the last year while GP rate has been improved to 13.37% as compared to 10.85% last year and Np rate improved to 3.63% from 1.20%. The increase in profitability during FY2025–26 was primarily driven by continued investment in modern plant and machinery, which enhanced production efficiency, optimized manufacturing processes and improved product quality. The Company's focus on energy conservation and operational efficiency, supported by its existing renewable energy facility, contributed to better cost management and reduced reliance on conventional energy sources. During the year, the Company also continued to invest in renewable energy infrastructure and subsequently expanded its renewable energy

Chairperson's Review









capacity from 7.5 MW to 15.5 MW, further strengthening its long-term energy efficiency and sustainability objectives. Profitability was further supported by improved capacity utilization, effective cost control, process optimization and prudent management of operating expenses.

The Company continues to make substantial investments to strengthen its resource base and support sustainable growth. With the continued support of Allah Almighty, we remain confident in achieving further milestones, underpinned by our strong financial position, robust cash-generating capacity, industry expertise and, most importantly, the dedication, commitment and resilience of our employees.

ROLE OF THE BOARD OF DIRECTORS

The Board's performance is evaluated against defined criteria and reflects a high degree of competence, diligence and effective oversight. Key areas of the Board's performance include:

- Upholding the Company's vision, mission and values and promoting compliance across all levels of the organization;
- Formulating strategic plans and making informed decisions aligned with the Company's objectives and stakeholders' interests;
- Monitoring business performance and corporate affairs while considering key observations and recommendations of internal and external auditors and independent consultants, where applicable;
- Maintaining an appropriate balance of executive, non-executive and independent directors, ensuring effective participation in key decision-making;
- Evaluating significant investment and strategic decisions with due consideration to associated risks and potential returns;
- Maintaining a robust internal control environment and promoting high standards of corporate governance and ethical conduct.

The Board Committees continued to provide effective oversight, guidance and support throughout the year. Each Committee operates under clearly defined Terms of Reference (TORs), with members appointed based on their relevant expertise and experience. The Board and its Committees met regularly during the year to deliberate on key matters, review performance and make informed decisions in the best interests of the Company and its stakeholders.

Chairperson's Review

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) reflects the Company's commitment to ethical business practices and meaningful contributions to the communities in which it operates. The Company aims to address social and community needs through responsible and impactful initiatives, while strengthening stakeholder relationships and enhancing its corporate reputation.

GOING FORWARD

The Company has planned to invest Rs. 1,789 million in its fabric processing unit for the installation of Goller Complexa two-stage Bleaching Range with single-loop washing compartments, one 8-Chamber POSLU Stenter with 3,400 mm working width, and one biomass-fired step-grate thermal oil heater along with development and construction cost, aimed at enhancing operational efficiency, improving profitability and strengthening overall product quality. In addition, the Company has pursued its Balancing, Modernization and Replacement (BMR) policy in the spinning division through the modernization and replacement of 16 LMW high-speed Ring Frame LRJ/SX machines, 2 sets of complete high-speed Toyota Simplex frames along with accessories, an Automatic Bale Plucker, and other related equipment, thereby improving spinning efficiency and enhancing the quality of its products. These initiatives are in line with the Company's ongoing BMR strategy and its commitment to meeting evolving customer requirements through enhanced production capabilities, efficiency and quality standards.

The Company is committed to advancing its sustainability agenda through responsible environmental, social and governance practices. Significant investments in renewable energy have contributed to reducing its carbon footprint and improving operational efficiency. The Company continues to strengthen workplace health and safety standards while supporting social development through initiatives focused on education, healthcare and women's empowerment. These efforts reflect its commitment to create lasting value for its stakeholders and the communities in which it operates.

فرحت جہاں

Farhat Jehan
Chairperson

Faisalabad
September 07, 2026

Directors' Report to the Shareholders

In the name of Almighty Allah The Most Gracious, The beneficent, The Merciful

Chief Executive Officer

Dear Shareholders,

The Board of Directors of J.K. Spinning Mills Limited is honored to present the Company's financial performance and the audited financial statements for the year ended June 30, 2026. The year under review was marked by a dynamic operating environment, requiring continued focus on operational efficiency, prudent financial management and resilience in navigating prevailing market challenges.

Financial Highlights

The current financial year witnessed a more favorable operating environment compared to the preceding year. While the textile sector continued to face challenges from inflationary pressures, high operating costs, subdued global demand and geopolitical uncertainties, the Company remained resilient and focused on operational efficiency, cost optimization and sustainable business performance.

Financial highlights of the Company for the year ended June 30, 2026 are summarized as under:

	2026	2025
	Rupees in Thousand	
Revenue	43,512,157	42,837,847
Gross Profit	5,816,884	4,648,557
Profit before Levy & Taxation	2,945,302	1,155,128
Levy/Taxation	1,364,397	641,267
Profit after Taxation	1,580,905	513,861
GP ratio	13.37 %	10.85 %
NP ratio	3.63%	1.20%

Dividend:

The Company remains committed to enhancing shareholders' wealth and delivering sustainable returns over the long term. In line with this commitment, the Board of Directors, at its meeting held on September 7, 2026 recommended a cash dividend of 20% (Rs. 2.00 per share) for the year ended June 30, 2026 to the ordinary shareholders, in accordance with the applicable regulatory requirements. Cash dividend of 20% (Rs. 2.00 per share) was declared for the year ended June 30, 2025 for minor shareholders.

Earnings Per Share

Earnings per share for the year ending June 30, 2026

amounted to Rupees 15.45 per share, as compared to Rupees 5.02 per share in the corresponding year.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

The Management of the Company is firmly committed to maintain the highest standards of corporate governance and conducting its affairs with integrity, transparency and accountability. The Directors are pleased to confirm that the Company has complied with the applicable provisions of the Code of Corporate Governance, as required by the Securities and Exchange Commission of Pakistan (SECP) and the applicable listing regulations.
The Review Report of the Auditors on the Statement of Compliance with the Code of Corporate Governance is an essential part of this report.

The Directors further confirm that:

- The financial statements, prepared by the management of J.K. Spinning Mills Limited, present fairly the state of affairs of the Company, the results of its operations, its cash flows and changes in equity.
- Proper books of account have been maintained by the Company as required under the applicable laws and regulations.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates and judgments are based on reasonable, prudent and appropriate assumptions.
- The applicable International Financial Reporting Standards (IFRS Accounting Standards), as adopted in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal controls is sound in design and has been effectively implemented and monitored. The effectiveness of the internal control system is reviewed on an ongoing basis through the Internal Audit function and other appropriate monitoring mechanisms, with a view to further strengthening controls and enhancing operational effectiveness.
- There are no significant doubts regarding the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as applicable under the prevailing regulatory framework.
- Significant changes in the Company's operations during the current year compared with the preceding year, together with significant plans and decisions relating to future prospects, are discussed in the Chairperson's Review, as endorsed by the Board of Directors.

- There is no information or explanation required in respect of any matter contained in the Auditors' Report that requires further disclosure, except as otherwise disclosed in the financial statements.
- The Company has not defaulted in the payment of any debt during the year.
- There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.
- Details of outstanding taxes and levies, if any, are disclosed in the notes to the financial statements.
- The principal trends and factors likely to affect the future development, performance and position of the Company are discussed in the Chairperson's Review.
- The Company does not undertake any business activity that has a material adverse impact on the environment.
- Key operating results and financial data for the last six years, in summarized form, are annexed to this report.
- Gains or losses arising from exchange rate fluctuations and financing under State Bank of Pakistan Circular No. F.E. 25 have been appropriately recognized and accounted for as at the reporting date.
- The number of employees of the Company as at June 30, 2026 was 3,051 (June 30, 2025: 2,880).
- The value of investments of the Provident Fund Trust, based on the audited financial statements as at June 30, 2025 amounted to Rs. 693.618 million.
- No trading in the shares of the Company was carried out during the year by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, or their spouses and minor children.
- The Statement of Pattern of Shareholding of the Company as at June 30, 2026 prepared in accordance with the applicable requirements of the Code of Corporate Governance, is annexed to this report.
- Any changes in the terms and conditions of the appointment or remuneration of the Chief Executive Officer and other Directors, where applicable, have been appropriately disclosed in the notes to the financial statements.

Risk Management

The Board of Directors oversees the Company's risk management framework through comprehensive policies and procedures established to identify, assess, monitor and mitigate material risks. The framework is supported by an effective system of internal controls designed to safeguard the Company's assets, reputation and financial integrity, while promoting operational efficiency, compliance with applicable laws and regulations, and the reliability of financial reporting.

The Risk Management Committee (RMC), reporting to the Board of Directors, assists in overseeing the Company's risk profile and provides guidance to management regarding the identification, assessment, mitigation and monitoring of key risks.

Strategic Risks

The Company manages strategic risks through BMR, R&D, technology adoption and continuous process improvement, while monitoring market and macroeconomic developments for emerging risks and opportunities.

Internal Control Framework

The Company maintains an effective internal control framework to safeguard assets, ensure compliance and enhance reporting reliability. Internal Audit evaluates controls and reports findings to management, while the Board oversees the control environment.

Opportunities

As an established participant in the textile industry,

the Company continues to evaluate opportunities for sustainable growth and value creation. Key opportunities include:

- A geographically diversified customer base, providing opportunities for sustained growth in export markets.
- Continued demand from established domestic businesses and brands, supporting growth in the local market.
- Vertical integration across various stages of the production process, enabling the Company to realize operational efficiencies and synergies.
- Availability of a large and growing workforce, providing access to a diverse pool of human capital.

Corporate Social Responsibility

The Management recognizes its responsibility towards the welfare of its employees, communities and other stakeholders and endeavors to make social responsibility an integral part of the Company's culture and business practices.
The Company contributes significantly to the national exchequer through the payment of taxes, duties and other statutory levies. Its export activities also contribute to the country's foreign exchange earnings, supporting the broader national economy.

The Company is committed to providing equal employment opportunities and fostering a culture based on merit, fairness, inclusion and professional development. It strives to maintain a safe, healthy and conducive working environment that supports employee well-being and continuous learning.

Employee health, safety and well-being remain important priorities for the Company. The Company continues to explore initiatives aimed at enhancing workplace safety, employee welfare and overall health and fitness.
As part of its environmental responsibility, the Company is also evaluating investments in environmentally sustainable technologies, including wastewater treatment facilities at its Home Textile Division, with the objective of reducing its environmental footprint and promoting responsible resource management.

Sustainability & Development

Sustainability remains an integral part of the Company's long-term business strategy and corporate ethos. The Management recognizes its responsibility to minimize environmental impact, support the communities in which the Company operates and promote responsible and ethical business practices.

The Company seeks to integrate sustainability considerations into its operations and decision-making processes, with a focus on environmental stewardship, responsible resource utilization, employee welfare, community development and sound corporate governance.

Through these initiatives, the Company aims to create long-term value for its stakeholders while contributing positively to the environment and the communities in which it operates.

Board Composition and Meetings

JKS maintains a Board of Directors consisting of seven (7) members, encompassing individuals with a variety of backgrounds, essential skills, insights, and proficiencies pertinent to the Company's operations. We have 3 female and 04 male directors. Our Board composition as on June 30, 2026 is as below;

	Numbers
Independent Directors	2
Non-Executive Directors	3
Executive Directors	2
Total	7

Directors' Report to the Shareholders

Name of Director	Meetings Attended
Mrs. Farhat Jehan Chairperson/ Non-Executive Director	04
Mr. Faiq Jawed Chief Executive Officer/Executive Director	04
Mr. Shaiq Jawed Executive Director	04
Syed Sohaib Mansoor Naqvi Independent Director	04
Mrs. Nageen Faiq Non-Executive Director	04
Mrs. Sadaf Aamir Arshad Non-Executive Director	03
Mr. Muhammad Tayyab Zahid Independent Director	04

Audit Committee

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. The Audit Committee held Four (4) meetings during the year to review the financial statements, internal audit reports and compliance of the corporate governance requirements which were attended by all committee members. The composition of new Audit Committee and their attendance is as under:

Names	Meetings Attended
Syed Sohaib Mansoor Naqvi(Chairman)	04
Mrs. Farhat Jehan	04
Mrs. Sadaf Aamir Arshad	04

HUMAN RESOURCE COMMITTEE

The Committee meets to review and recommend all elements of compensation, organization and development policies related to the employees. During the year 2025-26, One (1) Committee meetings were held and attended by members as given below:

Names	Meetings Attended
Mr.Muhammad Tayyab Zahid (Chairman)	01
Mr. Shaiq Jawed	01
Syed Sohaib Mansoor Naqvi	01

RISK MANAGEMENT COMMITTEE

Risk management committee has been constituted primarily for reviewing and identifying the systems of internal controls, identifying the weaknesses and making recommendation to the BOARD with regards to any major necessary intervention required. During the year committee met one time. The names of Directors and their attendance are given below:

Names	Meetings Attended
Mr. Faiq Jawed (Chairman)	01
Mr. Shaiq Jawed	01
Syed Sohaib Mansoor Naqvi	01

NOMINATION COMMITTEE

During the year under review, no meeting of the Nomination Committee was convened.

SUSTAINABILITY COMMITTEE

The Committee reviewed its responsibilities

Directors' Report to the Shareholders

regarding sustainability initiatives, ESG matters and related recommendations to the Board, with particular focus on the identification, assessment and integration of sustainability-related risks and opportunities into the Company's risk management framework and decision-making processes. One (1) Committee meetings were held and attended by members as given below:

Names	Meetings Attended
Mr.Muhammad Tayyab Zahid(Chairman)	01
Mr. Shaiq Jawed	01
Mrs. Sadaf Aamir Arshad	01

Directors' Training

All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies. By June 30, 2026 Directors had acquired the prescribed certification under Directors Training Program or are exempt from the Directors' Training Program by virtue of experience as per the requirements of the Companies Listed (Code of Corporate Governance) Regulations, 2019 that meet the criteria specified by the Commission and approved by it. The newly appointed directors will get training within due course. The Board is kept up-to-date on legal, regulatory and governance matters through regular papers and briefings from the company Secretary and presentations by internal and external advisors. Directors are responsible for upholding the Corporate Governance and giving the company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn about the dynamics and operations of the company.

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The remuneration policy has been designed to attract and retain the suitable candidate on the Board. For information on remuneration and meeting fee of directors & CEO, please refer notes to the Financial Statements.

The remuneration of non-Executive Directors including Chairman of board and independent directors is determined by the Board of Directors and remuneration committee.

Auditors

Statutory audit of the company for the financial year ended 30 June, 2026 has been concluded and the auditors have issued their report on the Company's financial statements and the Statement of Compliance with the Regulations. The present auditors will retire at the end of the upcoming Annual General Meeting of the Company and have not given their consent for next year's audit. Upon suggestion of the Audit Committee, the Board of Directors have recommended the appointment of M/s Baker Tilly Mehmood Idrees Qamar, Chartered Accountants, as the external auditors of the Company for the year ended June 30, 2027 subject to the approval of the shareholders in the Annual General Meeting.

Chairperson's Review

The accompanied Chairperson's Review deals with principal activities, major business developments and performance of the company during the year under review and future outlook. The directors of the company endorse the contents of review.

Events after Reporting Period

There was no significant event after reporting period which warrants mention in Directors' Report.

Acknowledgement

The Directors wish to express their gratitude to our valued clients and bankers for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services demonstrated by the staff members and the workers of the company. The company Acknowledges and thanks all stakeholders for the confidence reposed.

For and on behalf of Board of Directors

FAIQ JAWED
Chief Executive Officer

Shaiq Jawed
Director

Faisalabad
September 07, 2026

سال کے آڈٹ کے لیے اپنی رضامندی ظاہر نہیں کی ہے۔ آڈٹ کمیٹی کی تجویز پر، بورڈ آف ڈائریکٹرز نے 30 جون 2027 کو ختم ہونے والے سال کے لیے 'میسرز بیکر ٹلی محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس' کو کمپنی کے بیرونی آڈیٹرز کے طور پر تعینات کرنے کی سفارش کی ہے، جس کا انحصار سالانہ اجلاسِ عام میں شیئر ہولڈرز کی منظوری پر ہوگا۔

چیئرپرسن کا جائزہ:

ساتھی چیئرپرسن کے جائزے میں کمپنی کی بنیادی سرگرمیوں، اہم پیشرفت، اور مستقبل کے نقطہ نظر کا احاطہ کیا گیا ہے، جس کی بورڈ آف ڈائریکٹرز کی طرف سے باقاعدہ توثیق کی گئی ہے۔

رپورٹنگ کی مدت کے بعد کے واقعات:

رپورٹنگ کی مدت کے بعد کوئی اہم واقعہ پیش نہیں آیا جس کے لیے اس رپورٹ میں انکشاف ضروری ہے۔

اعتراف:

بورڈ آف ڈائریکٹرز قابل قدر کلائنٹس، بینکرز اور اسٹیک ہولڈرز کے تعاون کا شکر گزار اعتراف کرتا ہے۔ ہم کمپنی کی انتظامیہ، عملے اور کارکنوں کی لگن اور محنت کے لیے اپنی تعریف بھی ریکارڈ کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز:

فیصل آباد: ستمبر 07، 2026

فائق جاوید
چیف ایگزیکٹو

شائق جاوید
ڈائریکٹر

ڈائریکٹر رپورٹ برائے حصص یافتگان:

پائیداری کمیٹی:

کمیٹی نے پائیداری کے اقدامات، ESG (ماحولیاتی، سماجی اور گورننس) امور اور بورڈ کو پیش کی جانے والی متعلقہ سفارشات کے حوالے سے اپنی ذمہ داریوں کا جائزہ لیا۔ اس دوران کمپنی کے رسک مینجمنٹ کے فریم ورک اور فیصلہ سازی کے عمل میں پائیداری سے متعلقہ خطرات اور مواقع کی نشاندہی، جانچ پڑتال اور انہیں شامل کرنے پر خصوصی توجہ مرکوز کی گئی۔ کمیٹی کا ایک (1) اجلاس منعقد ہوا جس میں اراکین نے حسبِ ذیل شرکت کی:

نام	میٹنگز میں حاضری
مسٹر محمد طیب زاہد (چیئرمین)	01
مسٹر شائق جاوید	01
صدف عامر	01

ڈائریکٹرز کی تربیت:

تمام ڈائریکٹرز کارپوریٹ اداروں کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ 30 جون 2026 تک، ڈائریکٹرز نے 'ڈائریکٹرز ٹریننگ پروگرام' کے تحت مطلوبہ سرٹیفیکیشن حاصل کرلی ہے یا وہ 'کمپنیز لسٹڈ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019' کے تقاضوں کے مطابق اپنے تجربے کی بنا پر اس ٹریننگ پروگرام سے مستثنیٰ ہیں (بشرطیکہ وہ کمیشن کے مقرر کردہ اور منظور شدہ معیار پر پورا اترتے ہوں)۔ نئے تعینات ہونے والے ڈائریکٹرز مقررہ وقت کے اندر تربیت حاصل کرلیں گے۔ بورڈ کو کمپنی سیکرٹری کی جانب سے باقاعدہ دستاویزات اور بریفنگز، نیز اندرونی اور بیرونی مشیروں کی پیشکشوں (پریزنٹیشنز) کے ذریعے قانونی، ریگولیٹری اور گورننس کے معاملات سے باخبر رکھا جاتا ہے۔ ڈائریکٹرز کارپوریٹ گورننس کے اصولوں کو برقرار رکھنے اور کمپنی کو اسٹریٹجک سمت دینے کے ذمہ دار ہیں۔ بورڈ کی افادیت کو زیادہ سے زیادہ بنانے کے لیے، نئے اراکین کا کمپنی کے امور اور طریقہ کار (ڈائنامکس اور آپریشنز) سے آگاہ ہونا ضروری ہے۔

ڈائریکٹرز کا معاوضہ:

بورڈ کے اراکین کے معاوضے کی منظوری خود بورڈ دیتا ہے۔ تاہم، 'کوڈ آف کارپوریٹ گورننس' کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین کے عمل میں حصہ نہ لے۔ معاوضے کی پالیسی اس طرح ترتیب دی گئی ہے کہ بورڈ کے لیے موزوں امیدواروں کو راغب کیا جا سکے اور انہیں برقرار رکھا جا سکے۔ ڈائریکٹرز اور سی ای او کے معاوضے اور اجلاس کی فیس کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں کے نوٹسز ملاحظہ کریں۔ نان ایگزیکٹو ڈائریکٹرز (بشمول بورڈ کے چیئرمین اور آزاد ڈائریکٹرز) کے معاوضے کا تعین بورڈ آف ڈائریکٹرز اور 'معاوضہ کمیٹی' کی جانب سے کیا جاتا ہے۔

آڈیٹرز:

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کا قانونی آڈٹ مکمل ہو چکا ہے اور آڈیٹرز نے کمپنی کے مالیاتی گوشواروں اور ضوابط کی تعمیل کے بیان پر اپنی رپورٹ جاری کردی ہے۔ موجودہ آڈیٹرز کمپنی کے آئندہ سالانہ اجلاسِ عام (AGM) کے اختتام پر سبکدوش ہو جائیں گے اور انہوں نے اگلے

آڈٹ کمیٹی:

ڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی جانب سے طے کردہ اپنے 'لائحہ عمل کے مطابق اپنے فرائض سرانجام دے رہی ہے۔کمیٹی نے سال کے دوران مالیاتی گوشواروں، اندرونی آڈٹ کی رپورٹس اور کارپوریٹ گورننس کے تقاضوں کی تعمیل کا جائزہ لینے کے لیے چار (4) اجلاس منعقد کیے، جن میں کمیٹی کے تمام اراکین نے شرکت کی۔نئی آڈٹ کمیٹی کی تشکیل اور اراکین کی حاضری کی تفصیلات درج ذیل ہیں:

نام	میٹنگز میں حاضری
سید صہیب منصور نقوی (چیئرمین)	04
مسز فرحت جہاں	04
مسز صدف عامر ارشد	04

ہیومن ریسورس کمیٹی:

یہ کمیٹی ملازمین سے متعلق معاوضے، تنظیم اور ترقیاتی پالیسیوں کے تمام پہلوؤں کا جائزہ لینے اور ان کے بارے میں سفارشات مرتب کرنے کے لیے اجلاس منعقد کرتی ہے۔سال 26-2025 کے دوران کمیٹی کا ایک (1) اجلاس منعقد ہوا جس میں درج ذیل اراکین نے شرکت کی:

نام	میٹنگز میں حاضری
مسٹر محمد طیب زاہد (چیئرمین)	01
مسٹر شائق جاوید	01
سید صہیب منصور نقوی	01

رسک مینجمنٹ کمیٹی:

رسک مینجمنٹ کمیٹی بنیادی طور پر اندرونی کنٹرول کے نظاموں کا جائزہ لینے اور ان کی نشاندہی کرنے، کمزوریوں کی نشاندہی کرنے اور کسی بھی بڑے اور ضروری اقدام کے حوالے سے بورڈ کو سفارشات پیش کرنے کے لیے تشکیل دی گئی ہے۔سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔ڈائریکٹرز کے نام اور ان کی حاضری کی تفصیلات ذیل میں دی گئی ہیں:

نام	میٹنگز میں حاضری
مسٹر فائق جاوید (چیئرمین)	01
مسٹر شائق جاوید	01
سید صہیب منصور نقوی	01

نامزدگی کمیٹی:

زیرِ جائزہ سال کے دوران، نامزدگی کمیٹی کا کوئی اجلاس منعقد نہیں کیا گیا۔

ڈائریکٹر رپورٹ برائے حصص یافتگان:

پائیداری اور ترقی:

پائیداری کمپنی کی طویل مدتی کاروباری حکمت عملی اور کارپوریٹ اخلاقیات کا ایک لازمی حصہ ہے۔ مینجمنٹ ماحولیاتی اثرات کو کم سے کم کرنے، ان کمیونٹیز کی مدد کرنے کی اپنی ذمہ داری کو تسلیم کرتی ہے جن میں کمپنی کام کرتی ہے اور ذمہ دارانہ اور اخلاقی کاروباری طریقوں کو فروغ دیتی ہے۔
کمپنی ماحولیاتی ذمہ داری، وسائل کے ذمہ دارانہ استعمال، ملازمین کی فلاح و بہبود، کمیونٹی کی ترقی اور کارپوریٹ گورننس پر توجہ مرکوز کرتے ہوئے اپنے آپریشنز اور فیصلہ سازی کے عمل میں پائیداری کے تحفظات کو ضم کرنے کی کوشش کرتی ہے۔
ان اقدامات کے ذریعے، کمپنی کا مقصد اپنے اسٹیک ہولڈرز کے لیے طویل المدتی قدر پیدا کرنا ہے جبکہ وہ ماحول اور ان کمیونٹیز کے لیے مثبت کردار ادا کرتا ہے جن میں یہ کام کرتی ہے۔

بورڈ کی تشکیل اور میٹنگز۔

JKS ایک ایسے بورڈ آف ڈائریکٹرز کو برقرار رکھتا ہے جو سات (7) ارکان پر مشتمل ہے، اور اس میں متنوع پس منظر، ضروری مہارتوں، بصیرت اور ایسی قابلیتوں کے حامل افراد شامل ہیں جو کمپنی کے امور کے لیے اہم ہیں۔ ہمارے بورڈ میں 3 خواتین اور 4 مرد ڈائریکٹرز شامل ہیں۔ 30 جون 2026 تک ہمارے بورڈ کی تشکیل حسبِ ذیل ہے؛

انڈیپنڈنٹ ڈائریکٹرز	2
نان ایگزیکٹو ڈایریکٹرز	3
ایگزیکٹو ڈایریکٹرز	2
کل ڈائریکٹرز کی تعداد	7

نام		میٹنگز میں حاضری
فرحت جہاں	چیئرپرسن/نان ایگزیکٹو ڈایریکٹرز	04
فائق جاوید	چیف ایگزیکٹو / ایگزیکٹو ڈایریکٹرز	04
شائق جاوید	ایگزیکٹو ڈایریکٹرز	04
سید صہیب منصور نقوی	انڈیپنڈنٹ ڈائریکٹرز	04
نگین فائق	نان ایگزیکٹو ڈایریکٹرز	04
صدف عامر ارشد	نان ایگزیکٹو ڈایریکٹرز	03
محمد طیب زاہد	انڈیپنڈنٹ ڈائریکٹرز	04

رسک مینجمنٹ کمیٹی (RMC)، جو بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے، کمپنی کے رسک پروفائل کی نگرانی میں مدد کرتی ہے اور اہم خطرات کی شناخت، تشخیص، تخفیف اور نگرانی کے حوالے سے انتظامیہ کو رہنمائی فراہم کرتی ہے۔

اسٹریٹجک خطرات:

کمپنی R&D، BMR، ٹیکنالوجی کو اپنانے اور عمل میں مسلسل بہتری کے ذریعے اسٹریٹجک خطرات کا انتظام کرتی ہے، جبکہ ابھرتے ہوئے خطرات اور مواقع کے لیے مارکیٹ اور میکرو اکنامک ترقیات کی نگرانی کرتی ہے۔

اندرونی مالیاتی کنٹرول:

کمپنی اثاثوں کی حفاظت، تعمیل کو یقینی بنانے اور رپورٹنگ کی وشوسنیتا کو بڑھانے کے لیے ایک مؤثر اندرونی کنٹرول فریم ورک کو برقرار رکھتی ہے۔ اندرونی آڈٹ کنٹرولز کا جائزہ لیتا ہے اور انتظامیہ کو نتائج کی اطلاع دیتا ہے، جبکہ بورڈ کنٹرول ماحول کی نگرانی کرتا ہے۔

مواقع:

ٹیکسٹائل کی صنعت میں ایک قائم شراکت دار کے طور پر، کمپنی پائیدار ترقی اور قدر پیدا کرنے کے مواقع کا جائزہ لینا جاری رکھے ہوئے ہے۔ اہم مواقع میں شامل ہیں:

- جغرافیائی طور پر متنوع کسٹمر بیس، برآمدی منڈیوں میں پائیدار ترقی کے مواقع فراہم کرتا ہے۔
- مقامی مارکیٹ میں ترقی کی حمایت کرتے ہوئے، قائم کردہ گھریلو کاروباروں اور برانڈز سے مسلسل مانگ۔
- پیداواری عمل کے مختلف مراحل میں عمودی انضمام، کمپنی کو آپریشنل افادیت اور ہم آہنگی کا احساس کرنے کے قابل بناتا ہے۔
- ایک بڑی اور بڑھتی ہوئی افرادی قوت کی دستیابی، انسانی سرمائے کے متنوع تالاب تک رسائی فراہم کرنا۔

کارپوریٹ سماجی ذمہ داری:

انتظامیہ اپنے ملازمین، کمیونٹیز اور دیگر اسٹیک ہولڈرز کی فلاح و بہبود کے تئیں اپنی ذمہ داری کو تسلیم کرتی ہے اور سماجی ذمہ داری کو کمپنی کی ثقافت اور کاروباری طریقوں کا ایک لازمی حصہ بنانے کی کوشش کرتی ہے۔

کمپنی ٹیکسوں، ڈیوٹیوں اور دیگر قانونی محصولات کی ادائیگی کے ذریعے قومی خزانے میں نمایاں حصہ ڈالتی ہے۔ اس کی برآمدی سرگرمیاں وسیع تر قومی معیشت کو سہارا دیتے ہوئے ملک کی غیر ملکی زرمبادلہ کی کمائی میں بھی حصہ ڈالتی ہیں۔

کمپنی روزگار کے مساوی مواقع فراہم کرنے اور میرٹ، انصاف پسندی، شمولیت اور پیشہ ورانہ ترقی پر مبنی ثقافت کو فروغ دینے کے لیے پرعزم ہے۔ یہ ایک محفوظ، صحت مند اور سازگار کام کرنے والے ماحول کو برقرار رکھنے کی کوشش کرتا ہے جو ملازمین کی فلاح و بہبود اور مسلسل سیکھنے میں مدد کرتا ہے۔

ملازمین کی صحت، حفاظت اور بہبود کمپنی کے لیے اہم ترجیحات ہیں۔ کمپنی کام کی جگہ کی حفاظت، ملازمین کی فلاح و بہبود اور مجموعی صحت اور تندرستی کو بڑھانے کے لیے اقدامات کی تلاش جاری رکھے ہوئے ہے۔

اپنی ماحولیاتی ذمہ داری کے حصے کے طور پر، کمپنی اپنے ہوم ٹیکسٹائل ڈویژن میں گندے پانی کی صفائی کی سہولیات سمیت ماحولیاتی طور پر پائیدار ٹیکنالوجیز میں سرمایہ کاری کا بھی جائزہ لے رہی ہے، جس کا مقصد اپنے ماحولیاتی اثرات کو کم کرنا اور وسائل کے ذمہ دار انتظام کو فروغ دینا ہے۔

ڈائریکٹر رپورٹ برائے حصص یافتگان:

- کمپنی نے سال کے دوران کسی بھی قرض کی ادائیگی میں نادہندگی نہیں کی۔
- اس مالی سال کے اختتام (جس سے مالیاتی گوشوارے متعلق ہیں) اوراس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی نمایاں تبدیلیاں یا وعدے سامنے نہیں آئے۔
- واجب الادا ٹیکسوں اور لیویز کی تفصیلات، اگر کوئی ہوں، تو مالیاتی گوشواروں کے نوٹس میں ظاہر کی گئی ہیں۔
- کمپنی کی مستقبل کی ترقی، کارکردگی اور پوزیشن پر اثر انداز ہونے والے اہم رجحانات اور عوامل پر چیئرمین کے جائزے میں بحث کی گئی ہے۔
- کمپنی ایسی کوئی کاروباری سرگرمی انجام نہیں دیتی جس کے ماحول پر نمایاں منفی اثرات مرتب ہوں۔
- گزشتہ چھ سالوں کے اہم آپریٹنگ نتائج اور مالیاتی ڈیٹا، خلاصہ شدہ شکل میں، اس رپورٹ کے ساتھ منسلک ہیں۔
- زرِمبادلہ کی شرح میں اتار چڑھاؤ اوراسٹیٹ بینک آف پاکستان کے سرکلر نمبر F.E. 25 کے تحت فنانسنگ سے پیدا ہونے والے منافع یا نقصانات کو رپورٹنگ کی تاریخ کے مطابق مناسب طریقے سے تسلیم اور ریکارڈ کیا گیا ہے۔
- 30 جون 2026 کو کمپنی کے ملازمین کی تعداد 3,051 تھی (30 جون 2025: 2,880)۔
- 30 جون 2025 کے آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر پروویڈنٹ فنڈ ٹرسٹ کی سرمایہ کاری کی مالیت 693.618 ملین روپے تھی۔
- سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، یا ان کے شریک حیات اور نابالغ بچوں کی جانب سے کمپنی کے حصص کی کوئی خرید و فروخت (ٹریڈنگ) نہیں کی گئی۔
- کارپوریٹ گورننس کے ضابطہ اخلاق کے قابلِ اطلاق تقاضوں کے مطابق تیار کردہ کمپنی کے شیئر ہولڈنگ کے پیٹرن کا بیان اس رپورٹ کے ساتھ منسلک ہے۔
- چیف ایگزیکٹو آفیسر اور دیگر ڈائریکٹرز کی تقرری یا معاوضے کی شرائط و ضوابط میں (جہاں کہیں بھی قابلِ اطلاق ہو) کسی بھی قسم کی تبدیلی کو مالیاتی گوشواروں کے نوٹس میں مناسب طور پر ظاہر کر دیا گیا ہے۔

رسک مینجمنٹ:

بورڈ آف ڈائریکٹرز کمپنی کے رسک مینجمنٹ فریم ورک کی نگرانی کرتا ہے جامع پالیسیوں اور طریقہ کار کے ذریعے جو مادی خطرات کی شناخت، تشخیص، نگرانی اور ان کو کم کرنے کے لیے قائم کیا گیا ہے۔ اس فریم ورک کو اندرونی کنٹرول کے ایک موثر نظام سے تعاون حاصل ہے جو کمپنی کے اثاثوں، ساکھ اور مالی سالمیت کے تحفظ کے لیے ڈیزائن کیا گیا ہے، جبکہ آپریشنل کارکردگی، قابل اطلاق قوانین اور ضوابط کی تعمیل، اور مالیاتی رپورٹنگ کی وشوسنیتا کو فروغ دیتا ہے۔

آمدنی فی شیئر:

فی شیئر آمدنی برائے مالیاتی سال 30 جون 2026 میں 15.45 روپے فی شیئر رہی۔ مقابلتاً پچھلے سال کی فی شیئر آمدن 5.02 روپے فی شیئر تھی۔

کارپوریٹ گورنینس سے ہم آہنگی:

کمپنی کی انتظامیہ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے اور اپنے معاملات کو دیانتداری، شفافیت اور احتساب کے ساتھ چلانے کے لیے پختہ عزم رکھتی ہے۔ ڈائریکٹرز کو یہ تصدیق کرتے ہوئے خوشی ہے کہ کمپنی نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور متعلقہ لسٹنگ ضوابط کے تحت درکار 'کارپوریٹ گورننس کے ضابطۂ عمل' کی قابلِ اطلاق شقوں کی پاسداری کی ہے۔ کارپوریٹ گورننس کے ضابطۂ عمل کی تعمیل سے متعلق بیان پر آڈیٹرز کی جائزہ رپورٹ اس رپورٹ کا ایک لازمی حصہ ہے۔
ڈائریکٹرز مزید تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی اسٹیٹمنٹ شفافیت کے ساتھ کمپنی کے اسٹیٹمنٹ آف افیئرز، آپریشنز کے نتائج، کیش کا بہاؤ اور ایکیویٹی کی تبدیلیوں کو پیش کرتی ہے۔

- کمپنی اکاؤنٹس کی کتب کو باقاعدہ برقرار رکھتی ہے۔

- مالیاتی اسٹیٹمنٹ کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی گئی اور اکاؤنٹنگ اسٹیٹمنٹس معقول اور دانشمندانہ اندازوں اور فیصلوں پر مبنی ہیں۔

- پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ کا مالیاتی اسٹیٹمنٹس کی تیاری میں عمل درآمد کیا گیا ہے اور جہاں لاگو نہیں ہوتے وہاں ان کو ظاہر کردیا گیا ہے۔

- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب اور لاگو کیا گیا ہے اور ساتھ ساتھ اس کی اندرونی آڈٹ کے ذریعے باقاعدہ نگرانی بھی کی جاتی ہے تاکہ یہ اندرونی کنٹرول اور زیادہ مظبوط ہوں۔

- کمپنی کے مسلسل چلنے کی اہلیت پر کوئی شک نہیں کیا جاسکتا۔

- مروجہ ریگولیٹری فریم ورک کے تحت کارپوریٹ گورننس کے بہترین اصولوں سے کسی بھی نمایاں انحراف کا ارتکاب نہیں کیا گیا۔

- گزشتہ سال کے مقابلے میں رواں سال کے دوران کمپنی کے آپریشنز (کام کاج) میں نمایاں تبدیلیاں، نیز مستقبل کے امکانات سے متعلق اہم منصوبے اور فیصلے، چیئرمین کے جائزے میں بیان کیے گئے ہیں جس کی بورڈ آف ڈائریکٹرز نے توثیق کی ہے۔

- آڈیٹرز کی رپورٹ میں شامل کسی بھی معاملے کے حوالے سے ایسی کسی اضافی معلومات یا وضاحت کی ضرورت نہیں ہے جس کا مزید انکشاف درکار ہو، سوائے اس کے جو مالیاتی گوشواروں میں پہلے ہی ظاہر کیا جاچکا ہے۔

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

شروع اللہ کے نام سے جو نہایت مہربان اور رحم والا ہے۔

معزز حصص یافتگان،

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2026, کی ختم ہونے والے سال کے آڈٹ شدہ مالیاتی حسابات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ زیرِ جائزہ سال ایک متحرک کاروباری ماحول کا حامل رہا، جس کے لیے آپریشنل کارکردگی محتاط مالیاتی انتظام اور مارکیٹ کے موجودہ چیلنجز سے نمٹنے میں استقامت پر مسلسل توجہ مرکوز رکھنے کی ضرورت تھی۔

مالیاتی شہ سُرخیاں:

موجودہ مالی سال میں پچھلے سال کے مقابلے میں زیادہ سازگار آپریٹنگ ماحول دیکھنے میں آیا۔ جبکہ ٹیکسٹائل سیکٹر کو افراطِ زر کے دباؤ، اعلیٰ آپریٹنگ لاگت، پست عالمی طلب اور جغرافیائی سیاسی غیر یقینی صورتحال سے چیلنجوں کا سامنا کرنا پڑا، کمپنی لچکدار رہی اور آپریشنل کارکردگی، لاگت کی اصلاح اور پائیدار کاروباری کارکردگی پر توجہ مرکوز رکھی۔

مالیاتی جھلکیوں کا خلاصہ حسب ذیل ہے:

روپے ہزار میں

تفصیلات	2025	2026
آمدنی	42,837,847	43,512,157
مجموعی منافع	4,648,557	5,816,884
قبل از ٹیکس منافع	1,155,128	2,945,302
ٹیکس	641,267	1,364,397
سال کا منافع	513,861	1,580,905
جی پی کا تناسب	10.85%	13.37%
این پی کا تناسب	1.20%	3.63%

ڈیویڈنڈ:

کمپنی شیئر ہولڈرز کے اثاثوں میں اضافہ کرنے اور طویل مدت میں پائیدار منافع کی فراہمی کے لیے پرعزم ہے۔ اسی عزم کے تحت، بورڈ آف ڈائریکٹرز نے 7 ستمبر 2026 کو منعقدہ اپنے اجلاس میں، قابلِ اطلاق ریگولیٹری تقاضوں کے مطابق، 30 جون 2026 کو ختم ہونے والے سال کے لیے عام شیئر ہولڈرز کو 20 فیصد (2.00 روپے فی شیئر) نقد ڈیویڈنڈ کی سفارش کی۔ اس سے قبل، 30 جون 2025 کو ختم ہونے والے سال کے لیے چھوٹے شیئر ہولڈرز کے لیے 20 فیصد (2.00 روپے فی شیئر) نقد ڈیویڈنڈ کا اعلان کیا گیا تھا۔

Vertical Analysis

	2026		2025		2024		2023		2022		2021	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
BALANCE SHEET												
TOTAL EQUITY	15,621,151	50%	14,043,215	44%	13,494,981	44%	12,488,470	45%	10,873,006	57%	7,163,579	52%
NON-CURRENT LIABILITIES	3,340,517	11%	3,320,892	10%	3,031,334	10%	3,556,698	13%	1,747,305	9%	1,376,127	10%
CURRENT LIABILITIES	12,589,695	40%	14,644,669	46%	14,038,696	46%	11,468,414	42%	6,597,201	34%	5,347,334	39%
TOTAL LIABILITIES	15,930,212	50%	17,965,561	56%	17,070,030	56%	15,025,112	55%	8,344,506	43%	6,723,461	48%
TOTAL EQUITY AND LIABILITIES	31,551,363	100%	32,008,776	100%	30,565,011	100%	27,513,582	100%	19,217,512	100%	13,887,040	100%
ASSETS												
NON-CURRENT ASSETS	12,070,155	38%	11,997,910	37%	11,351,059	37%	11,762,765	43%	7,224,150	38%	5,501,678	40%
CURRENT ASSETS	19,481,208	62%	20,010,866	63%	19,213,952	63%	15,750,817	57%	11,993,362	62%	8,385,362	60%
TOTAL ASSETS	31,551,363	100%	32,008,776	100%	30,565,011	100%	27,513,582	100%	19,217,512	100%	13,887,040	100%
PROFIT AND LOSS ACCOUNT												
REVENUE	43,512,157	100.00%	42,837,847	100.00%	41,816,395	100.00%	36,128,679	100.00%	27,332,542	100.00%	17,402,936	100.00%
COST OF SALES	37,695,273	86.63%	38,189,290	89.15%	36,174,349	86.51%	31,342,388	86.75%	21,171,839	77.46%	14,070,969	80.85%
GROSS PROFIT	5,816,884	13.37%	4,648,557	10.85%	5,642,046	13.49%	4,786,291	13.25%	6,160,703	22.54%	3,331,967	19.15%
DISTRIBUTION COST	1,414,350	3.25%	1,413,195	3.30%	1,316,123	3.15%	1,146,835	3.17%	1,036,494	3.79%	432,817	2.49%
ADMINISTRATIVE EXPENSES	642,216	1.48%	602,332	1.41%	583,482	1.40%	505,016	1.40%	424,443	1.55%	373,846	2.15%
OTHER EXPENSES	229,623	0.53%	270,647	0.63%	118,464	0.28%	321,701	0.89%	506,137	1.85%	165,373	0.95%
	2,286,189	5.25%	2,286,174	5.34%	2,018,069	4.83%	1,973,552	5.46%	1,967,074	7.20%	972,036	5.59%
	3,530,695	8.11%	2,362,383	5.51%	3,623,977	8.67%	2,812,739	7.79%	4,193,629	15.34%	2,359,931	13.56%
OTHER INCOME	725,976	1.67%	592,652	1.38%	424,702	1.02%	105,381	0.29%	266,184	0.97%	49,016	0.28%
PROFIT FROM OPERATIONS	4,256,671	9.78%	2,955,035	6.90%	4,048,679	9.68%	2,918,120	8.08%	4,459,813	16.32%	2,408,947	13.84%
FINANCE COST	1,311,369	3.01%	1,799,907	4.20%	2,407,236	5.76%	955,976	2.65%	371,888	1.36%	266,541	1.53%
PROFIT BEFORE LEVY AND TAXATION	2,945,302	6.77%	1,155,128	2.70%	1,641,443	3.93%	1,962,144	5.43%	4,087,925	14.96%	2,142,406	12.31%
LEVY AND TAXATION	1,364,397	3.14%	641,267	1.50%	634,932	1.52%	142,045	0.39%	426,405	1.56%	330,726	1.90%
PROFIT AFTER TAXATION	1,580,905	3.63%	513,861	1.20%	1,006,511	2.41%	1,820,099	5.04%	3,661,520	13.40%	1,811,680	10.41%

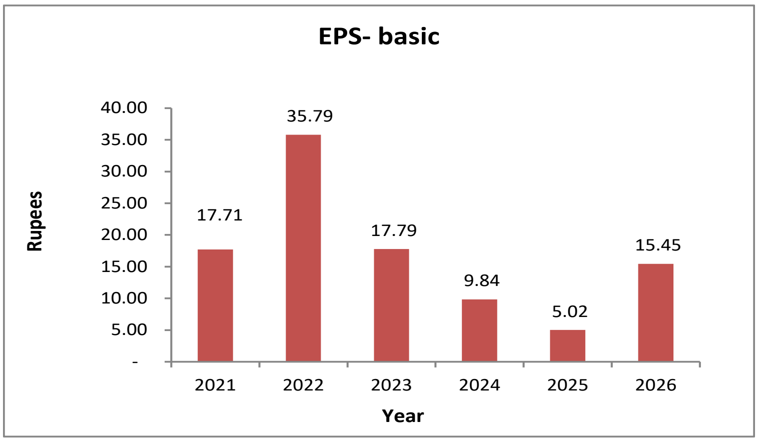
Horizontal Analysis Based on Year 2021

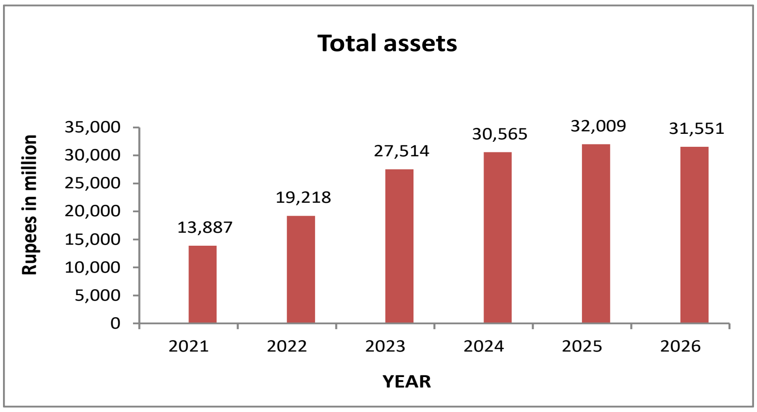
	2026		2025		2024		2023		2022		2021	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
BALANCE SHEET												
TOTAL EQUITY	15,621,151	218%	14,043,215	196%	13,494,981	188%	12,488,470	174%	10,873,006	152%	7,163,579	100%
NON-CURRENT LIABILITIES	3,340,517	243%	3,320,892	241%	3,031,334	220%	3,556,698	258%	1,747,305	127%	1,376,127	100%
CURRENT LIABILITIES	12,589,695	235%	14,644,669	274%	14,038,696	263%	11,468,414	214%	6,597,201	123%	5,347,334	100%
TOTAL LIABILITIES	15,930,212	237%	17,965,561	267%	17,070,030	254%	15,025,112	223%	8,344,506	124%	6,723,461	100%
TOTAL EQUITY AND LIABILITIES	31,551,363	227%	32,008,776	230%	30,565,011	220%	27,513,582	198%	19,217,512	138%	13,887,040	100%
ASSETS												
NON-CURRENT ASSETS	12,070,155	219%	11,997,910	218%	11,351,059	206%	11,762,765	214%	7,224,150	131%	5,501,678	100%
CURRENT ASSETS	19,481,208	232%	20,010,866	239%	19,213,952	229%	15,750,817	188%	11,993,362	143%	8,385,362	100%
TOTAL ASSETS	31,551,363	227%	32,008,776	230%	30,565,011	220%	27,513,582	198%	19,217,512	138%	13,887,040	100%
PROFIT AND LOSS ACCOUNT												
REVENUE	43,512,157	250%	42,837,847	246%	41,816,395	240%	36,128,679	208%	27,332,542	157%	17,402,936	100%
COST OF SALES	37,695,273	268%	38,189,290	271%	36,174,349	257%	31,342,388	223%	21,171,839	150%	14,070,969	100%
GROSS PROFIT	5,816,884	175%	4,648,557	140%	5,642,046	169%	4,786,291	144%	6,160,703	185%	3,331,967	100%
DISTRIBUTION COST	1,414,350	327%	1,413,195	327%	1,316,123	304%	1,146,835	265%	1,036,494	239%	432,817	100%
ADMINISTRATIVE EXPENSES	642,216	172%	602,332	161%	583,482	156%	505,016	135%	424,443	114%	373,846	100%
OTHER EXPENSES	229,623	139%	270,647	164%	118,464	72%	321,701	195%	506,137	306%	165,373	100%
	2,286,189	235%	2,286,174	235%	2,018,069	208%	1,973,552	203%	1,967,074	202%	972,036	100%
	3,530,695	150%	2,362,383	100%	3,623,977	154%	2,812,739	119%	4,193,629	178%	2,359,931	100%
OTHER INCOME	725,976	1481%	592,652	1209%	424,702	866%	105,381	215%	266,184	543%	49,016	100%
PROFIT FROM OPERATIONS	4,256,671	177%	2,955,035	123%	4,048,679	168%	2,918,120	121%	4,459,813	185%	2,408,947	100%
FINANCE COST	1,311,369	492%	1,799,907	675%	2,407,236	903%	955,976	359%	371,888	140%	266,541	100%
PROFIT BEFORE LEVY AND TAXATION	2,945,302	137%	1,155,128	54%	1,641,443	77%	1,962,144	92%	4,087,925	191%	2,142,406	100%
LEVY AND TAXATION	1,364,397	413%	641,267	194%	634,932	192%	142,045	43%	426,405	129%	330,726	100%
PROFIT AFTER TAXATION	1,580,905	87%	513,861	28%	1,006,511	56%	1,820,099	100%	3,661,520	202%	1,811,680	100%

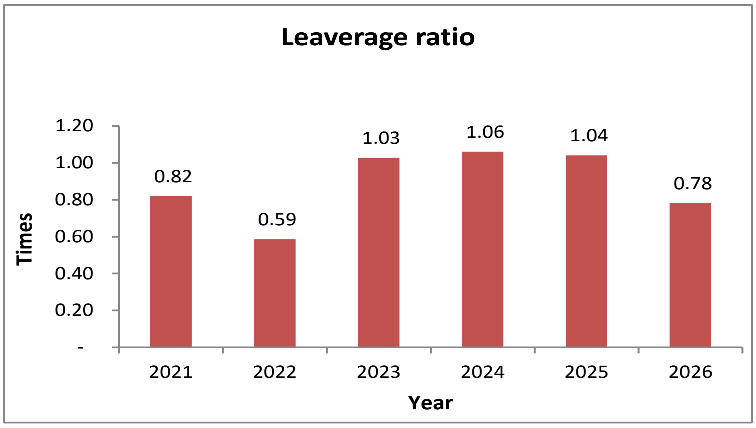
Key Operating and Financial Results

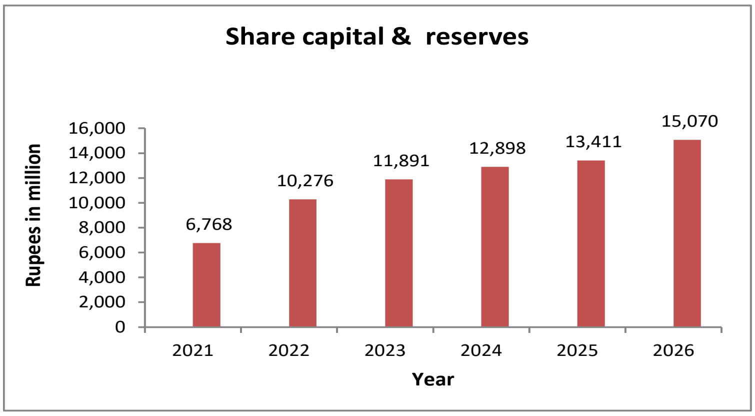
for last six years

PARTICULARS		2026	2025	2024	2023	2022	2021	2020
		RUPEES in 000						
SUMMARIZED BALANCE SHEET								
NON-CURRENT ASSETS								
Property, Plant And Equipment		11,822,938	11,741,237	11,290,876	11,664,607	7,170,940	5,418,923	4,518,840
Long Term Loans		-	-	-	-	-	-	-
Other Non-Current Assets		247,217	256,673	60,183	98,158	53,210	82,755	59,890
CURRENT ASSETS								
Stores, Spares And Loose Tools		613,466	359,154	324,899	283,957	204,533	142,424	104,773
Stock In Trade		10,211,589	11,107,260	10,674,019	8,489,011	6,911,108	5,809,836	4,805,601
Trade Debts		4,349,487	5,287,163	4,293,691	4,009,764	3,049,876	1,697,846	1,267,348
Other Current Assets		4,306,666	3,257,289	3,921,343	2,968,085	1,827,845	735,256	495,263
TOTAL ASSETS		31,551,363	32,008,776	30,565,011	27,513,582	19,217,512	13,887,040	11,251,715
Share Holders' Equity		15,069,773	13,411,423	12,897,562	11,891,051	10,275,587	6,767,543	5,028,947
Surplus on Revaluation of Operating Fixed Assets		551,378	631,792	597,419	597,419	597,419	396,036	396,036
NON-CURRENT LIABILITIES								
Long Term Financing		2,830,652	3,297,832	2,993,657	3,510,224	1,535,085	1,131,883	1,087,110
Liabilities Against Assets Subject To Finance Lease		7,130	23,060	37,677	46,474	-	10,078	25,084
Deferred Tax		502,735	-	-	-	212,220	231,949	228,902
Other Non-Current Liabilities		-	-	-	-	-	2,217	27,616
CURRENT LIABILITIES								
Short Term Borrowings		7,905,617	9,803,222	9,763,274	7,860,721	3,919,863	3,816,833	3,173,375
Current Portion of Long Term Liabilities		1,026,500	857,704	919,687	862,382	564,323	591,354	380,927
Other Current Liabilities		3,657,578	3,983,743	3,355,735	2,745,311	2,113,015	939,147	903,718
Total Equity And Liabilities		31,551,363	32,008,776	30,565,011	27,513,582	19,217,512	13,887,040	11,251,715
PROFIT & LOSS								
Revenue		43,512,157	42,837,847	41,816,395	36,128,679	27,332,542	17,402,936	14,827,225
Gross Profit		5,816,884	4,648,557	5,642,046	4,786,291	6,160,703	3,331,967	2,498,626
EBITDA		5,402,854	4,061,715	5,156,933	3,504,315	4,949,995	2,821,796	2,117,946
Profit From Operations		4,256,671	2,955,035	4,048,679	2,918,120	4,459,813	2,408,947	1,703,510
Profit Before Tax		2,945,302	1,155,128	1,641,443	1,962,144	4,087,925	2,142,406	1,306,892
Profit After Tax		1,580,905	513,861	1,006,511	1,820,099	3,661,520	1,811,680	1,141,972
CASH FLOWS								
Cash Flow From Operating Activities		3,442,123	1,700,635	(525,747)	(1,705,268)	2,680,369	483,835	37,203
Cash Flow From Investing Activities		(1,238,251)	(2,117,301)	(657,330)	(4,055,843)	(2,961,622)	(1,279,971)	(406,053)
Cash Flow From Financing Activities		(2,214,983)	267,162	1,433,707	5,995,990	313,501	809,690	386,658
Changing In Cash & Cash Equivalents		(11,111)	(149,504)	250,630	234,879	32,248	13,554	17,808
Cash & Cash Equivalents - Year End		457,030	472,879	618,656	372,236	137,357	105,109	91,555
PROFITABILITY RATIOS								
Gross Profit	%	13.37	10.85	13.49	13.25	22.54	19.15	16.85
EBITDA To Revenue	%	12.42	9.48	12.33	9.70	18.11	16.21	14.28
Pre Tax Profit	%	6.77	2.70	3.93	5.43	14.96	12.31	8.81
Post Tax Profit	%	3.63	1.20	2.41	5.04	13.40	10.41	7.70
Return On Equity	%	10.49	3.83	7.80	15.31	35.63	26.77	22.71
Return On Capital Employed	%	8.83	3.08	6.33	11.82	31.00	22.93	18.67
Dividend Rate (Cash)	%	20.00	20.00	-	-	20.00	15.00	10.00
Leverage Ratio		0.78	1.04	1.06	1.03	0.59	0.82	0.93
LIQUIDITY RATIOS								
Current Ratio	Times	1.55	1.37	1.37	1.37	1.82	1.57	1.50
Quick Ratio	Times	0.69	0.58	0.59	0.61	0.74	0.46	0.40
Cash To Current Liabilities	Times	0.04	0.03	0.04	0.03	0.02	0.02	0.02
Cash Flows From Operation To Sales	Times	0.08	0.04	(0.01)	(0.05)	0.10	0.03	0.00
Debt To EBITDA	Times	2.18	3.44	2.66	3.50	1.22	1.97	2.20
EBITDA To Debt	Times	0.46	0.29	0.38	0.29	0.82	0.51	0.45
Debt Service Coverage Ratio (DSCR)	Times	2.39	1.49	1.68	2.44	5.62	4.08	3.32
Intrest Coverage Ratio (ICR)	Times	3.25	1.64	1.68	3.05	11.99	9.04	4.30


EPS- basic
Rupees
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
-
17.71
35.79
17.79
9.84
5.02
15.45
2021
2022
2023
2024
2025
2026
Year


Total assets
Rupees in million
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
13,887
19,218
27,514
30,565
32,009
31,551
2021
2022
2023
2024
2025
2026
YEAR


Leaverage ratio
Times
1.20
1.00
0.80
0.60
0.40
0.20
-
0.82
0.59
1.03
1.06
1.04
0.78
2021
2022
2023
2024
2025
2026
Year


Share capital & reserves
Rupees in million
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
6,768
10,276
11,891
12,898
13,411
15,070
2021
2022
2023
2024
2025
2026
Year

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations")

For the year ended June 30, 2026

Name of Company:	**J. K. Spinning 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 seven (7) as per the following:

a) Male	4 (Four)
b) Female	3 (Three)

2. The composition of Board is as follows:

Category	Names
Independent Directors	Syed Sohaib Mansoor Naqvi Mr. Muhammad Tayyab Zahid
Non-Executive Directors	Mrs. Farhat Jehan (Female director) Mrs. Sadaf Aamir Arshad (Female director) Mrs. Nageen Faiq (Female director)
Executive Directors	Mr. Faiq Jawed (Chief Executive Officer) Mr. Shaiq Jawed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairperson and, in her 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Five of the Seven board members have either completed directors' training program or are exempt due to the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
1. Syed Sohaib Mansoor Naqvi	Chairman
2. Mrs. Farhat Jehan	Member
3. Mrs. Sadaf Aamir Arshad	Member

b) HR and Remuneration Committee

Names	Designation held
1. Mr. Muhammad Tayyab Zahid	Chairman
2. Mr. Shaiq Jawed	Member
3. Syed Sohaib Mansoor Naqvi	Member

c) Nomination Committee

Names	Designation held
1. Mrs. Farhat Jehan	Chairperson
2. Mr. Faiq Jawed	Member
3. Mr. Shaiq Jawed	Member

d) Risk Management Committee

Names	Designation held
1. Mr. Faiq Jawed	Chairman
2. Mr. Shaiq Jawed	Member
3. Syed Sohaib Mansoor Naqvi	Member

e) Sustainability Committee

Names	Designation held
1. Mr. Muhammad Tayyab Zahid	Chairman
2. Mr. Shaiq Jawed	Member
3. Mrs. Sadaf Aamir Arshad	Member

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following

a) **Audit Committee:**
Four meetings of Audit Committee were held during the financial year ended June 30, 2026.

b) **HR and Remuneration Committee:**
One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2026.

c) **Nomination Committee:**
No meeting of Nomination Committee was held during the financial year ended June 30, 2026.

d) **Risk Management Committee:**
One meeting of Risk Management Committee was held during the financial year ended June 30, 2026.

e) **Sustainability Committee:**
One meeting of Sustainability Committee was held during the financial year ended June 30, 2026.

15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Directors' Training Program (DTP):** It is encouraged that by 30 June, 2022 all the directors on the board to acquire the prescribed certification under any Director Training Program (DTP) offered by institutions.	The Board will arrange DTP for its remaining two directors in the next financial year.	19(1)(iii)
2	**Training of Head of Department:** Companies are encouraged to arrange training for at least one head of department every year under DTP from July 2022.	The Company will organize the training of its one head of department each year from next financial year.	19(3)(ii)

FAIQ JAWED
Chief Executive Officer

SHAIQ JAWED
Director

Faisalabad

Date: September 07, 2026

Independent Auditor's Review Report
To the members of J.K. Spinning 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 J.K. Spinning Mills Limited (the Company) for the year ended 30 June 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 30 June 2026.

Riaz Ahmad & co.

RIAZ AHMAD &COMPANY
Chartered Accountants

Faisalabad
Date: 10 September 2026

UDIN: CR202610184X6V4phCwT

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT 40TH ANNUAL GENERAL MEETING OF THE MEMBERS OF J.K. SPINNING MILLS LIMITED WILL BE HELD ON WEDNESDAY, 07 OCTOBER, 2026 AT 11.30 AM, AT 29 K.M, SHEIKHUPURA ROAD, KHURRIANWALA, FAISALABAD / THROUGH VIDEO LINK, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Annual Audited Accounts along with the reports of Directors and Auditors of the Company for the year ended June 30, 2026.

   www.jkgroup.net/financial-reports

2) To appoint External Auditors of the Company for the ensuing year and fix their remuneration. The present Auditors M/s Riaz Ahmad and Company, Chartered Accountants, have retired and the Board has recommended M/s Baker Tilly Mehmood Idrees Qamar, Chartered Accountants, as auditors of the Company for the year ended June 30,2027.

3) To consider, approve and declare Final Cash Dividend at Rs.2/- per share i.e., 20% to Ordinary Shareholders for the year ended 30th June, 2026 as recommended by the Board of Directors.

SPECIAL BUSINESS:

4) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2026 by passing the special resolution with or without modification.

5) To authorize the Board of Directors of the Company to approve transactions with Related Parties and for sale and purchase of Goods / Services to / from J.K. Tech (Pvt.) Limited up to Rs. 200 million, J.K. Agriculture Farms (Pvt.) Limited up to Rs. 100 million and Fine Fabrics (Pvt.) Limited up to Rs. 350 million - Associated Companies for the year ending June 30, 2027 by passing the Special resolution with or without modification.

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

ANY OTHER BUSINESS

6) Any business with permission of Chair.

BY THE ORDER OF THE BOARD

Ghulam Muhammad
COMPANY SECRETARY

FAISALABAD:
Dated: **September 07, 2026**

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 30, 2026 to October 7, 2026 (both days inclusive). Transfers received at the Company's Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on September 29, 2026 will be treated in time for the purpose of above entitlement to the transferees.

2. The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address legal@jkgroup.net as per below table by the close of business hours (5:00 pm) on October 05, 2026:

Name of Member	CNIC No. / NTN	CDC Participant ID/Folio No.	Cell Number	Email Address

Notice of Annual General Meeting

The Video link will be emailed to the registered members / proxies who have provided all the requested information.

3. The CDC account holders / sub-account holders are requested to bring with them their original CNICs or Passports along with Participant(s) ID Number and CDC Account Numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such Shareholders, the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.

   The members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom he / she / they hold proxy(ies) while sending the information with reference to Note 2 hereof. Without the copy of the CNIC, such member(s) shall not be registered for the Video link facility.

   A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him / her. Proxies in order to be effective must be received at the Head Office of the Company duly stamped and signed not later than 48 hours before the meeting. A proxy must be a member of the Company.

   PROCEDURE FOR E-VOTING FOR SPECIAL BUSINESS:

a) Details of e-Voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on September 30, 2026. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before October 02, 2026.
b) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
c) E-Voting will start from October 04, 2026, 09:00 am. and shall close on October 6, 2026 at 5:00 pm. Members can cast their votes any time during this period.
d) Once the vote is cast by a member/proxyholder, he / she shall not be allowed to change it subsequently.
   E-voting Service Provider: M/s. Corptec Associates (Pvt.) Limited

   PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

   The members may alternatively opt for voting through postal ballot which is attached to the notice of meeting circulated to them. The postal ballot paper is also available for download from the website of the Company at www.jkgroup.net.

   The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairperson of the meeting through post on the Company's registered address 29-KM, Sheikhupura Road, Khurrianwala, Faisalabad, Pakistan or email at chairman@jkgroup.net on October 06, 2026 upto 5 pm. A postal ballot received after this time / date shall not be considered for voting. The signature on the ballot paper shall match the signature on CNIC. Please note that in case of any dispute in voting including the casting of more than one vote, the decision of the Chairperson of the meeting shall be final.

4. As per Section 72 of the Companies Act, 2017, all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017. The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into book-entry form. We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest.

5. The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. To enable the Company to make tax

Notice of Annual General Meeting

deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Share Registrar of the Company. The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt separately and in such particular situation, each account holder is to be treated either as a Filer or a Non-Filer and tax will be deducted according to his/her shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio No/CDC Account No	Total No of Shares	Name of Principal Shareholder and CNIC #	Share Holding	Name of Joint Shareholders and CNIC #	Share Holding

6. Shareholders holding shares in physical form, are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Shareholders having shares in their CDC accounts are required to have their addresses updated with their respective participants.

7. The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

8. The notice of Annual General Meeting has also been posted on the Company's website.

9. The Proxy Form is attached.

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

The statement sets out the material facts pertaining to the special business to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 7, 2026. The Directors in their meeting held on September 7, 2026 have recommended to the Shareholders to pass the following special resolutions.

1. **Item Number 4 of the Notice - Ratification and approval of the related party transactions carried out during the year ended June 30, 2026.**

   Transactions conducted with all related parties have to be approved by the Board of Directors, duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the Associated Companies, therefore, common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 39th Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ended June 30, 2026 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval / ratification. Accordingly, these transactions are being placed before the AGM for the formal approval / ratification by shareholders. All transactions with related parties to be ratified have been disclosed in the Note 47 to the financial statement for the year ended June 30, 2026. Party-wise details of such related party transactions are given below:

Notice of Annual General Meeting

Name of Related Party	Basis of Relationship	Nature of transactions	PKR in '000'
Associate:			
J.K. Tech (Private) Limited (JKTPL)	30% Shareholding in JKTPL	Service charges	3,000
		Rental income	2,700
		Expenses paid on behalf of JKTPL	337
Associated company			
J.K. Digisol (Private) Limited	Common directorship	Store purchased and payment made	863
Other related parties:			
J.K. Spinning Mills Limited: Employees' Provident Fund Trust	Post-employment benefit plan	Contribution made	79,804
Executives	Key Management Personnel	Vehicles Sold	22,515
		Dividend Paid	2

The Company carries out transactions with its related parties 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 entered into with related parties require the approval of the Board's Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board's Audit Committee, such transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in the Note 47 to the financial statement for the year ended June 30, 2026. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2026 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the Note 47, of the financial statements for the year ended June 30, 2026 as specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

2. **Item Number 5 of the Notice - Authorization for the Board of Directors to Approve the Related Party Transactions during the year ending June 30, 2027.**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2027 on an Arm's Length Basis as per the approved policy with respect to "Transactions with Related Parties" in the normal course of business. The Directors are interested in these transactions due to their common directorship in the Associated Companies and other related parties. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending June 30, 2027, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval / ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

To ratify and approve transactions to be conducted with Related Parties for the year ended June 30, 2027 by passing the following special resolution with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2027."

"RESOLVED FURTHER THAT these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."

Financial Statements

For the Year Ended June 30, 2026

Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of J.K. Spinning Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 30 June 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	**Inventory existence and valuation** As at 30 June 2026, inventories are stated at Rupees 10,825.055 million, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 613.466 million - Stock in trade of Rupees 10,211.589 million Inventories are stated at lower of cost and net realizable value.	Our procedures over existence and valuation of inventories included, but were not limited to: ▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.

Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED
Report on the Audit of the Financial Statements

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	We identified existence and valuation of inventories as a key audit matter due to its size, representing 34.31% of total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on inventories, refer to the following: - Material accounting policy information, Inventories (Note 2.15 to the financial statements). - Stores, spare parts and loose tools (Note 22) and Stock-in-trade (Note 23) to the financial statements.	▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. ▪ On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. ▪ In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. ▪ We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. ▪ We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.
	Revenue recognition The Company recognized net revenue of Rupees 43,512.157 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue recognition, refer to the following: - Material accounting policy information, Revenue recognition (Note 2.18 to the financial statements). - Revenue from contracts with customers (Note 33 to the financial statements).	Our procedures included, but were not limited to: ▪ We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. ▪ We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. ▪ We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. ▪ We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. ▪ We also considered the appropriateness of disclosures in the financial statements.

Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED
Report on the Audit of the Financial Statements

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
3.	**Capital expenditure** The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among others, the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Company's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Material accounting policy information, Property, plant and equipment (Note 2.7 to the financial statements). - Property, plant and equipment (Note 18 to the financial statements).	Our procedures included, but were not limited to: ▪ We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature. ▪ We evaluated the appropriateness of capitalization policies and depreciation rates. ▪ We performed tests of details on costs capitalized. ▪ We verified the accuracy of management's calculation used for the impairment testing.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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.

Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED
Report on the Audit of the Financial Statements

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED
Report on the Audit of the Financial Statements

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

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

Riaz Ahmed & co.

RIAZ AHMAD &COMPANY
Chartered Accountants

Faisalabad

Date: 10 September 2026

UDIN: AR202610184Z0eIH8NLrY

Statement of Financial Position

As at June 30, 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200 000 000 (2025: 200 000 000) ordinary shares of Rs.10/- each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	4	1,023,175	1,023,175
Reserves			
Capital reserves			
Surplus on revaluation of freehold land	5	551,378	631,792
Other capital reserves	6	350,540	350,540
		901,918	982,332
Revenue reserve - unappropriated profit		13,696,058	12,037,708
		14,597,976	13,020,040
TOTAL EQUITY		15,621,151	14,043,215
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	2,752,688	3,143,263
Lease liabilities	8	7,130	23,060
Deferred income tax liability	9	502,735	-
Deferred income - Government grant	10	77,964	154,569
		3,340,517	3,320,892
CURRENT LIABILITIES			
Trade and other payables	11	3,327,124	3,409,204
Contract liabilities	12	167,174	362,570
Accrued mark-up	13	162,422	189,512
Short term borrowings	14	7,905,617	9,803,222
Current portion of non-current liabilities	15	1,026,500	857,704
Taxation and levy - net	16	-	21,708
Unclaimed dividend		858	749
		12,589,695	14,644,669
TOTAL LIABILITIES		15,930,212	17,965,561
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		31,551,363	32,008,776

The annexed notes form an integral part of these financial statements.

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Statement of Financial Position

As at June 30, 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	11,822,938	11,741,237
Right-of-use asset	19	37,826	47,282
Long term investment	20	-	-
Long term deposits	21	209,391	209,391
		12,070,155	11,997,910
CURRENT ASSETS			
Stores, spare parts and loose tools	22	613,466	359,154
Stock-in-trade	23	10,211,589	11,107,260
Trade debts	24	4,349,487	5,287,163
Advances	25	158,822	169,315
Short term deposits and prepayment	26	39,192	36,191
Other receivables	27	447,816	79,193
Sales tax refundable	28	2,305,080	1,763,176
Taxation and levy - net	29	71,702	-
Short term investments	30	827,024	649,302
Cash and bank balances	31	457,030	472,879
		19,481,208	19,923,633
Non-current assets classified as held for sale	32	-	87,233
		19,481,208	20,010,866
TOTAL ASSETS		31,551,363	32,008,776

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Statement of Profit or Loss

For the Year ended June 30, 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
Revenue	33	43,512,157	42,837,847
Cost of sales	34	(37,695,273)	(38,189,290)
Gross profit		5,816,884	4,648,557
Distribution cost	35	(1,414,350)	(1,413,195)
Administrative expenses	36	(642,216)	(602,332)
Other expenses	37	(229,623)	(270,368)
		(2,286,189)	(2,285,895)
		3,530,695	2,362,662
Other income	38	725,976	592,373
Profit from operations		4,256,671	2,955,035
Finance cost	39	(1,311,369)	(1,799,907)
Profit before levy and taxation		2,945,302	1,155,128
Levy	40	(8,920)	(369,988)
Profit before taxation		2,936,382	785,140
Taxation	41	(1,355,477)	(271,279)
Profit after taxation		1,580,905	513,861
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	42	15.45	5.02

The annexed notes form an integral part of these financial statements.

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Statement of Comprehensive Income

For the Year ended June 30, 2026

	2026	2025
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	1,580,905	513,861
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
Surplus on revaluation of freehold land	-	34,373
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive income for the year	-	34,373
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,580,905	548,234

The annexed notes form an integral part of these financial statements.

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Statement of Changes in Equity

For the Year ended June 30, 2026

	Share capital	Reserves							Total equity
		Capital reserves				Revenue reserve	Total	
		Merger reserve	Premium on issue of right shares	Surplus on revaluation of freehold land	Sub Total	Unappropriated profit		
	---------------------- (RUPEES IN THOUSAND) ----------------------							
Balance as at 30 June 2024	1,023,175	289,636	60,904	597,419	947,959	11,523,847	12,471,806	13,494,981
Profit for the year	-	-	-	-	-	513,861	513,861	513,861
Other comprehensive income for the year	-	-	-	34,373	34,373	-	34,373	34,373
Total comprehensive income for the year	-	-	-	34,373	34,373	513,861	548,234	548,234
Balance as at 30 June 2025	1,023,175	289,636	60,904	631,792	982,332	12,037,708	13,020,040	14,043,215
Transaction with owners:								
Final dividend for the year ended 30 June 2025 at the rate of Rupees 2 per share	-	-	-	-	-	(2,969)	(2,969)	(2,969)
Surplus related to freehold land disposed of during the year	-	-	-	(80,414)	(80,414)	80,414	-	-
Profit for the year	-	-	-	-	-	1,580,905	1,580,905	1,580,905
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	1,580,905	1,580,905	1,580,905
Balance as at 30 June 2026	1,023,175	289,636	60,904	551,378	901,918	13,696,058	14,597,976	15,621,151

The annexed notes form an integral part of these financial statements.

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Statement of Cash Flows

For the Year ended June 30, 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	5,795,019	4,684,226
Finance cost paid		(1,331,456)	(1,945,175)
Mark-up paid against lease liabilities		(3,734)	(7,099)
Income tax and levy paid		(955,072)	(731,708)
Net increase in long term deposits		-	(208,310)
Workers' profit participation fund paid	11.3	(62,634)	(91,299)
Net cash generated from operating activities		3,442,123	1,700,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,243,540)	(1,666,040)
Proceeds from sale of property, plant and equipment		26,580	77,874
Proceeds from non-current assets classified as held for sale		87,345	-
Investments made		(180,571)	(616,235)
Profit received on saving accounts and term deposit receipts		67,578	63,262
Proceeds from sale of investments		4,357	23,838
Net cash used in investing activities		(1,238,251)	(2,117,301)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	43.2	651,913	1,156,298
Repayment of long term financing	43.2	(952,522)	(917,377)
Repayment of lease liabilities	43.2	(13,909)	(11,707)
Short term borrowings - net	43.2	(1,897,605)	39,948
Dividend paid	43.2	(2,860)	-
Net cash (used in) / from financing activities		(2,214,983)	267,162
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,111)	(149,504)
NET FOREIGN EXCHANGE DIFFERENCE ON TRANSLATION OF BANK BALANCES		(4,738)	3,727
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		472,879	618,656
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31	457,030	472,879

The annexed notes form an integral part of these financial statements.

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Notes to the Financial Statements

For the Year ended 30 June 2026

1. THE COMPANY AND ITS ACTIVITIES

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited on 24 September 1990. Its registered office is situated at 34-Falcon Enclave, Tufail Road, Lahore Cantt. The head office and factory premises of the Company are located at 29-Kilometers, Sheikhupura Road, Faisalabad. A sales office is located at Montgomery Bazar, Opposite Habib Bank Limited, Near Clock Tower, Faisalabad. The zonal office is situated at Office No. 411, 4th Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi. The Company is engaged in business of textile manufacturing which comprises spinning, weaving, processing, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the estimates in future might affect the carrying amount of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Notes to the Financial Statements

For the Year ended 30 June 2026

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Classification of investments

The management of the Company determines the appropriate classification at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 'Financial instruments'.

d) Standards and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Rates' – Lack of Exchangeability;

Notes to the Financial Statements

For the Year ended 30 June 2026

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 'Climate-related Disclosures;

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Company meets the specified criteria for Phase I applicability as per the SECP's order dated 31 December 2024 and this is the Company's first year of compliance. Accordingly, the Company has availed the exception available for the first year of application, under which sustainability-related financial disclosures may be issued within nine months from the close of the financial year. The Company will therefore issue its sustainability-related financial disclosures separately, within nine months of the year ended 30 June 2026 (i.e., by 31 March 2027), instead of together with these financial statements.

The above-mentioned standards and amendments to approved accounting standard did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, amendments and improvements to accounting standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Notes to the Financial Statements

For the Year ended 30 June 2026

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project.

-IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
-IFRS 9 Financial Instruments;
-IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standard, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees retirement benefit

The Company operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 8.33 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of profit or loss as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

2.3 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate.

Notes to the Financial Statements

For the Year ended 30 June 2026

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.4 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and 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.

2.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.6 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.7 Property, plant and equipment

a) Cost / Revalued amount

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any recognized impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition.

Notes to the Financial Statements

For the Year ended 30 June 2026

Increases in the carrying amount arising on revaluation of freehold land is recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decrease that reverses previous increase of the asset is first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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

b) Depreciation

Depreciation on operating fixed assets is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is de-recognized. Depreciation is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of operating fixed assets over their expected useful lives at the rates mentioned in Note 18.1. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

d) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.8 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of these assets are recognized as expense on straight-line basis over the lease term.

Notes to the Financial Statements

For the Year ended 30 June 2026

2.9 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which these are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.10 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Notes to the Financial Statements

For the Year ended 30 June 2026

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

At Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2) or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

'Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

At fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Notes to the Financial Statements

For the Year ended 30 June 2026

2.11 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost ;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Notes to the Financial Statements

For the Year ended 30 June 2026

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

2.14 Investment in associate

An associate is an entity over which the Company has significant influence. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of profit or loss of the investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognized in the statement of profit or loss with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate are changed where necessary to ensure consistency with the policies adopted by the Company.

Investment under the equity method of accounting, the associate is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

2.15 Inventories

Inventories, except for waste materials, are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale. Cost is determined as follows:

Notes to the Financial Statements

For the Year ended 30 June 2026

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are stated at invoice amount plus other charges paid thereon.

Stock-in-trade

Stock of raw materials, except for stock-in-transit, is valued principally at weighted average cost.

Stocks-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Cost of work-in-process comprises of cost of estimated manufacturing cost including appropriate production overheads while cost of finished goods comprises of average manufacturing cost including appropriate production overheads.

Stock of waste materials is stated at net realizable value.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts along with other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.17 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.18 Revenue recognition

i) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

ii) Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

iii) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to the Financial Statements

For the Year ended 30 June 2026

iv) Rent

Revenue is recognized when rent is accrued.

v) Dividend

Dividend on investments is recognized when right to receive the dividend is established.

v) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.19 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.20 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.21 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

2.22 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.23 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.24 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost. These are subsequently measured at amortized cost using the effective interest method.

2.25 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. These are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

Notes to the Financial Statements

For the Year ended 30 June 2026

2.26 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which these are incurred.

2.27 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.28 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.29 Segment reporting

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

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company's reportable business segments comprise of Spinning (Producing different quality of yarn using natural and artificial fibers) and Fabric (Buying yarn, fabric and selling after conversion and manufacturing of home textile articles).

Transactions among the business segments are recorded at arm's length prices using admissible valuation method. Inter segment sales and purchases are eliminated from the total.

2.30 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. 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.

Notes to the Financial Statements

For the Year ended 30 June 2026

2.31 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.32 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Non–current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3.2 Ijarah contracts

Under the Ijarah contracts, the Company obtains usufruct of an asset for an agreed period and consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the statement of profit or loss on straight line basis over the Ijarah term.

3.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.4 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

3.5 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Notes to the Financial Statements

For the Year ended 30 June 2026

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026	2025		2026	2025
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
26,424,155	26 424 155	Ordinary shares of Rs. 10 each fully paid in cash	264,241	264,241
45 947,600	45,947,600	Ordinary shares of Rupees 10 each issued to shareholders of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited under the scheme of merger	459,476	459,476
29,945,747	29,945,747	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	299,458	299,458
102,317,502	102,317,502		1,023,175	1,023,175

4.1 The share capital of the Company consists only of fully paid ordinary shares with a nominal value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of the capital and represent one vote at shareholders' meetings of the Company.

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
5 SURPLUS ON REVALUATION OF FREEHOLD LAND			
Balance as on 01 July		631,792	597,419
Add: Surplus on revaluation of freehold land	18.1	-	34,373
Surplus related to freehold land disposed of during the year		(80,414)	-
Balance as on 30 June		551,378	631,792
6. OTHER CAPITAL RESERVES			
Merger reserve		289,636	289,636
Premium on issue of right shares	6.1	60,904	60,904
		350,540	350,540

6.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

7. LONG TERM FINANCING

	NOTE	2026	2025
From banking companies / financial institutions - secured			
Long term loans	7.1	2,638,998	3,210,491
Diminishing musharakah	7.2	1,047,927	679,403
		3,686,925	3,889,894
Less: Current portion shown under current liabilities	15		
Long term loans		673,136	571,816
Diminishing musharakah		261,101	174,815
		934,237	746,631
		2,752,688	3,143,263

Notes to the Financial Statements

For the Year ended 30 June 2026

7.1 Long term loans

LENDER	2026	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)						
The Bank of Punjab	500,000	500,000	3 months KIBOR + 1.25%	Twenty equal quarterly installments commencing on 22 July 2026 and ending on 22 April 2031	Quarterly	Quarterly	First joint pari passu charge of Rupees 986.667 million over fixed assets of the Company, exclusive / specific hypothecation first charge of Rupees 426.230 million over plant and machinery of the Company and ranking charge of Rupees 400 million over fixed assets of the Company and personal guarantee of three directors of the Company.
The Bank of Punjab	23,635	71,567	SBP rate for LTFF + 2.00%	Twenty equal quarterly installments commenced on 14 December 2021 and ending on 01 April 2027	Quarterly	Quarterly	
The Bank of Punjab	39,686	48,201	SBP rate for LTFF + 2.00%	Thirty six equal quarterly installments commenced on 21 January 2022 and ending on 19 May 2031	Quarterly	Quarterly	
The Bank of Punjab (Note 7.3)	621,875	760,952	SBP rate for TERF + 2.00%	Twenty four equal quarterly Installments commenced on 29 September 2023 and ending on 30 November 2029	Quarterly	Quarterly	
The Bank of Punjab	-	160,298	3 months KIBOR + 2.00%	Twenty equal quarterly installments commenced on 25 August 2023 and ended on 05 June 2026	Quarterly	Quarterly	
National Bank of Pakistan	134,006	224,744	SBP rate for LTFF + 1.25%	Twenty equal quarterly installments commenced on 01 October 2022 and ending on 01 January 2028	Quarterly	Quarterly	First joint pari passu charge of Rupees 947.333 million over fixed assets of the Company, exclusive / specific hypothecation first charge of Rupees 606.110 million over plant and machinery of the Company and ranking charge of Rupees 667 million over fixed assets of the Company and personal guarantee of three directors of the Company and personal guarantee of two directors of the Company.
National Bank of Pakistan	216,130	316,305	3 months KIBOR + 1.00%	Twenty equal quarterly installments commenced on 22 November 2022 and ending on 01 July 2028	Quarterly	Quarterly	
National Bank of Pakistan	445,899	445,899	3 months KIBOR + 1.50%	Ten equal semi annual installments commencing On 10 October 2026 and ending on 10 April 2031	Quarterly	Quarterly	
Habib Bank Limited	252,922	303,600	3 months KIBOR + 1.25%	Twenty equal quarterly installments commenced on 19 October 2023 and ending on 31 March 2031	Quarterly	Quarterly	First joint pari passu charge of Rupees 766.667 million over fixed assets of the Company, exclusive / specific hypothecation first charge of Rupees 225.267 million over plant and machinery of the Company and ranking charge of Rupees 270 million over fixed assets of the Company and personal guarantee of two directors of the Company.

Notes to the Financial Statements

For the Year ended 30 June 2026

LENDER	2026	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)						
The Bank of Khyber	48,179	61,945	SBP rate for LTFF + 1.25%	Twenty four equal quarterly installments commenced on 18 January 2024 and ending on 18 October 2029	Quarterly	Quarterly	First joint pari passu charge of Rupees 200 million over fixed assets of the Company and exclusive / specific hypothecation first charge of Rupees 667 million over plant and machinery of the Company.
The Bank of Khyber	-	316,980	3 months KIBOR + 1.50%	During the year this facility was converted Into diminishing musharakah (Note 7.2)	Quarterly	Quarterly	
Pakistan Kuwait Investment Company (Private) Limited	356,666	-	3 months KIBOR + 1.25%	Twenty equal quarterly installments commencing on 26 May 2027 and ending on 22 June 2032	Quarterly	Quarterly	Exclusive / specific hypothecation first charge of Rupees 666.667 million over plant and machinery of the Company and personal guarantee of two directors of the Company.
	2,638,998	3,210,491					

7.2 Diminishing musharakah

LENDER	2026	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
Meezan Bank Limited	-	7,734	SBP rate for LTFF + 2.00%	Sixteen equal quarterly installments commenced on 01 December 2021 and ended on 01 September 2025	Quarterly	Quarterly	First joint pari passu charge of Rupees 667 million over fixed assets of the Company and exclusive / specific hypothecation first charge of Rupees 1,067 million over plant and machinery of the Company and personal guarantee of three directors of the Company.
Meezan Bank Limited	96,841	129,121	SBP rate for LTFF + 1.50%	Twenty four equal quarterly installments commenced on 19 August 2023 and ending on 07 June 2029	Quarterly	Quarterly	
Meezan Bank Limited	165,922	216,975	3 months KIBOR + 0.50%	Twenty four equal quarterly installments commenced on 29 October 2023 and ending on 29 April 2029	Quarterly	Quarterly	
Meezan Bank Limited	172,222	194,445	3 months KIBOR + 1.00%	Thirty six equal quarterly installments commenced on 14 March 2025 and ending on 14 December 2033	Quarterly	Quarterly	
Meezan Bank Limited	295,247	-	SBP rate for LTFF - 3.00%	Twenty four equal quarterly installments commenced on 19 February 2026 and ending on 19 January 2032	Quarterly	Quarterly	
First Habib Modaraba	69,582	131,128	3 months KIBOR + 1.25%	Thirty unequal monthly installments commenced on 15 July 2025 and ending on 15 June 2027	Quarterly	Monthly	Purchase agreement of vehicle to be registered in the name of First Habib Modaraba

Notes to the Financial Statements

For the Year ended 30 June 2026

7.2 Diminishing musharakah

LENDER	2026	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)						
The Bank of Khyber (Note 7.1)	248,113	-	3 months KIBOR + 1.50%	Twenty four and twenty five equal quarterly installments commenced on 06 March 2024 and ending on 09 January 2030	Quarterly	Quarterly	First joint pari passu charge of Rupees 200 million over fixed assets of the Company and exclusive / specific hypothecation first charge of Rupees 667 million over plant and machinery of the Company.
	1,047,927	679,403					

7.3 These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 12.77% to 20.03% per annum.

7.4 Effective rate of mark-up charged during the year on these financing ranged from 3.00% to 13.67% (3.00% to 22.24%) per annum.

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
8.	**LEASE LIABILITIES**			
	Total lease liabilities	8.1	22,788	36,493
	Current portion shown under current liabilities	15	(15,658)	(13,433)
			7,130	23,060
8.1	**Reconciliation of lease liabilities**			
	Balance as on 01 July		36,493	47,839
	Interest accrued on lease liabilities	39	3,938	7,460
			40,431	55,299
	Less: Payments made during the year		(17,643)	(18,806)
	Balance as on 30 June		22,788	36,493

8.2 This relates to a vehicle acquired under finance lease agreement from The Bank of Punjab (BOP). The implicit interest rates used to arrive at the present value of minimum lease payments are 1 year KIBOR + 1.25% per annum. Taxes, repairs and insurance costs are to be borne by the Company. This is secured against the leased assets and personal guarantee of three directors of the Company.

8.3 Maturity analysis of the lease liabilities is as follows:

	2026	2025
Not later than one year	17,503	17,838
Later than one year but not later than two years	7,293	17,838
Later than two years but not later than five years	-	7,431
	24,796	43,107
Less: Future finance cost	(2,008)	(6,614)
Present value of lease liabilities	22,788	36,493

9. DEFERRED INCOME TAX LIABILITY

The deferred income tax liability / (asset) originated due to timing differences relating to:

	2026	2025
Taxable temporary differences		
Accelerated tax depreciation	1,609,661	1,542,335
Right-of-use assets	13,996	18,440
	1,623,657	1,560,775
Deductible temporary differences		
Lease liabilities	8,432	14,232
Allowance for expected credit losses	5,747	2,416
Provision for doubtful other receivables	1,005	964
Provision for doubtful sales tax refundable	40,402	42,586
Provision for doubtful advances to suppliers / service providers	230	-
Available unused tax loss - unabsorbed tax depreciation	689,829	750,982
Minimum tax carry forward	375,277	749,595
	1,120,922	1,560,775
Deferred income tax liability	502,735	-

Notes to the Financial Statements

For the Year ended 30 June 2026

9.1 Movement in deferred income tax liability balance is as follows:

	2026		
	Balance as on 01 July	Recognized in statement of profit or loss	Balance as on 30 June
	-----(RUPEES IN THOUSAND)----		
Accelerated tax depreciation	1,542,335	67,326	1,609,661
Right-of-use assets	18,440	(4,444)	13,996
Lease liabilities	(14,232)	5,800	(8,432)
Allowance for expected credit losses	(2,416)	(3,331)	(5,747)
Provision for doubtful other receivables	(964)	(41)	(1,005)
Provision for doubtful sales tax refundable	(42,586)	2,184	(40,402)
Provision for doubtful advances to suppliers / service providers	-	(230)	(230)
Available unused tax loss - unabsorbed tax depreciation	(750,982)	61,153	(689,829)
Minimum tax carry forward:			
Available	(781,201)	195,223	(585,978)
Movement in deferred income tax not recognized	31,606	179,095	210,701
Deferred income tax recognized	(749,595)	374,318	(375,277)
	-	502,735	502,735

	2025		
	Balance as on 01 July	Recognized in statement of profit or loss	Balance as on 30 June
	-----(RUPEES IN THOUSAND)----		
Accelerated tax depreciation	1,496,477	45,858	1,542,335
Right-of-use assets	23,050	(4,610)	18,440
Lease liabilities	(18,657)	4,425	(14,232)
Allowance for expected credit losses	(1,074)	(1,342)	(2,416)
Provision for doubtful other receivables	-	(964)	(964)
Unrealized loss on FVTPL investments	(1,605)	1,605	-
Provision for doubtful sales tax refundable	(42,586)	-	(42,586)
Available unused tax loss - unabsorbed tax depreciation	(1,032,984)	282,002	(750,982)
Minimum tax carry forward:			
Available	(438,223)	(342,978)	(781,201)
Movement in deferred income tax not recognized	15,602	16,004	31,606
Deferred income tax recognized	(422,621)	(326,974)	(749,595)
	-	-	-

9.2 Deferred tax asset has been recognised to the extent that the realisation of related tax benefits is probable from future taxable profits. Details of unabsorbed tax depreciation and minimum tax carry forward are as follows:

Notes to the Financial Statements

For the Year ended 30 June 2026

Accounting year to which unabsorbed tax depreciation relates	Amount	Amount	Accounting year in which unabsorbed tax depreciation will expire
	2026	2025	
	(RUPEES IN THOUSAND)		
2024	806,255	806,255	Infinite
2023	1,572,467	1,783,339	Infinite
	2,378,722	2,589,594	

Accounting year to which unabsorbed tax depreciation relates	Amount	Amount	Accounting year in which minimum tax carry forward will expire
	2026	2025	
	(RUPEES IN THOUSAND)		
2025	375,277	375,277	2028
2024	210,701	210,701	2027
2023	-	195,223	2026
	585,978	781,201	

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
10. DEFERRED INCOME - GOVERNMENT GRANT			
Balance as on 01 July		252,209	367,952
Amortized during the year		(97,640)	(115,743)
		154,569	252,209
Current portion shown under current liabilities	15	(76,605)	(97,640)
		77,964	154,569

10.1 The State Bank of Pakistan (SBP), through its Circular No. 01 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. One of the key feature of the refinance facilities is that borrowers can obtain loans at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of Government loan at the below market rate of interest is treated as a Government Grant. The Company has obtained these loans as disclosed in Note 7.1 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities have been initially recognized at fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for similar instruments. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
11.	TRADE AND OTHER PAYABLES			
	Creditors	11.1	1,090,738	1,301,236
	Accrued liabilities		635,490	761,492
	Sindh infrastructure cess payable	11.2	787,963	580,226
	Retention money payable		619	1,143
	Income tax deducted at source		2,337	3,102
	Sales tax payable		24,118	49,331
	Fair value of forward exchange contracts		-	64,332
	Workers' profit participation fund	11.3	154,268	59,644
	Workers' welfare fund	11.4	267,775	215,978
	Payable to banks under bill discounting arrangement	24.5	217,877	260,900
	Other payables		145,939	111,820
			3,327,124	3,409,204

11.1 These include Rupees 0.035 million (2025: Rupees 0.072 million) due to J.K. Tech (Private) Limited, a related party.

11.2 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour of Director Excise and Taxation, Karachi. Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, Supreme Court of Pakistan dictated the order in open court granting leave to appeal to the petitioners and restraining Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by Sindh High Court, Karachi. Supreme Court of Pakistan also directed to release the future consignments subject to furnishing of bank guarantees for the disputed amount.

11.3	Workers' profit participation fund			
	Balance as on 01 July		59,644	77,898
	Interest for the year	39	3,065	13,401
	Provision for the year	37	154,193	59,644
			216,902	150,943
	Payments made during the year		(62,634)	(91,299)
	Balance as on 30 June		154,268	59,644

11.3.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

11.4	Workers' welfare fund			
	Balance as on 01 July		215,978	192,404
	Provision for the year	37	51,797	23,574
	Balance as on 30 June		267,775	215,978

12. CONTRACT LIABILITIES

These represent unsecured contract liabilities of the Company towards various parties. The amount of Rupees 328.503 million included in contract liabilities at 30 June 2025 has been recognised as revenue (Note 33) during the year (2025: Rupees 416.377 million).

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
13.	ACCRUED MARK-UP			
	Long term financing		71,165	72,716
	Short term borrowings		91,257	116,796
			162,422	189,512
14.	SHORT TERM BORROWINGS			
	From banking companies - secured			
	Export refinances	14.1 & 14.3	5,553,000	3,831,000
	Other short term finances	14.2 & 14.3	2,352,617	5,972,222
			7,905,617	9,803,222

14.1 The rates of mark up range from 4.50% to 9.00% (2025: 8.00% to 20.50%) per annum during the year on the balance outstanding.

14.2 The rates of mark up range from 3.25% to 13.10% (2025: 5.00% to 22.73%) per annum during the year on the balance outstanding.

14.3 These finances are obtained from banking companies under mark-up arrangements on quarterly basis and are secured against joint pari passu hypothecation charge on present and future current assets, pledge of stock of cotton, yarn and polyester with specific margin, lien over import / export documents, letter of indemnity and personal guarantee of three directors of the Company. The sanctioned credit facilities are Rupees 28,210 million (2025: Rupees 26,299 million).

		NOTE	2026	2025
15.	CURRENT PORTION OF NON-CURRENT LIABILITIES			
	Current portion of long term financing	7	934,237	746,631
	Current portion of lease liabilities	8	15,658	13,433
	Current portion of deferred income - Government grant	10	76,605	97,640
			1,026,500	857,704
16.	TAXATION AND LEVY - NET			
	Provision for taxation		-	271,279
	Levy payable		-	457,960
			-	729,239
	Advance tax and prepaid levy - adjusted		-	(707,531)
			-	21,708

17. CONTINGENCIES AND COMMITMENTS

Contingencies

i) The Company has filed an appeal on 30 April 2020 before the Appellate Tribunal Inland Revenue against the tax demand created by Assistant Commissioner Inland Revenue amounting to Rupees 31.659 million vide assessment order dated 10 August 2018, relating to tax year 2016. The appeal is pending for adjudication.

ii) The Company has filed an appeal before the Appellate Tribunal Inland Revenue on 30 June 2021 against the re-assessment made by Additional Commissioner Inland Revenue, regarding the Company's apportionment of expenses, disallowing certain expenses and creating tax demand of Rupees 178.887 million for the tax year 2015 vide order dated 07 January 2019. The appeal is pending for adjudication.

Notes to the Financial Statements

For the Year ended 30 June 2026

iii) The Company filed writ petition on 25 January 2022 in Lahore High Court, Lahore to avail the relief of tax credit under section 65-B of the Income Tax, Ordinance, 2001. In response to which, Lahore High Court, Lahore allowed the Company to file return of income tax by taking the effect of section 65-B of the Ordinance. Moreover the income tax department was advised by Lahore High Court, Lahore to complete the process of determination regarding entitlement of tax credit under section 65-B of the Ordinance. By getting this interim relief, the Company filed its revised income tax return on 27 January 2022 by taking the effect of tax credit under section 65-B of the Ordinance amounting to Rupees 79.011 million. However the outcome of the petition is pending.

iv) Deputy Commissioner Inland Revenue passed Order-in-Original No. 60/2016 dated 11 April 2016 for the recovery of Rupees 7.904 million along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals who passed Order in Appeal No. 465/2016 dated 12 July 2016 and reduced amount to the extent of Rupees 3.107 million. Being aggrieved with the decision, the Company filed before Appellate Tribunal Inland Revenue on 16 January 2017 which is pending for adjudication.

v) Audit Officer Inland Revenue passed Order-in-Original No. 69/2019 dated 27 June 2019 for the recovery of inadmissible input tax along with default surcharge. The Company filed appeal before Commissioner Inland Revenue, Appeals who remanded back the case to Audit Officer Inland Revenue vide Order in Appeal No. 397/2019 dated 18 September 2019. Being aggrieved with the decision, the Company filed appeal before Appellate Tribunal Inland Revenue against the total amount of Rupees 9.680 million on 28 October 2019 which is pending for adjudication.

vi) Assistant Commissioner Inland Revenue passed Order-in-Original No. 30/2020 dated 05 March 2020 for the recovery of sales tax against packing material of Rupees 2.935 million along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals who passed Order in Appeal No. 149/21 dated 24 March 2021 and rejected the appeal. Being aggrieved with the decision, the Company filed appeal before Appellate Tribunal Inland Revenue on 20 April 2021 which is pending for adjudication.

vii) Deputy Commissioner Inland Revenue passed Order-in-Original No. 66/2020 dated 12 October 2020 for the recovery of post refund audit for the period 2014-2015 of Rupees 1.704 million recoverable along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals who passed Order in Appeal No. 213/ST dated 10 February 2021 and rejected the appeal. Being aggrieved with the decision, the Company filed appeal before Appellate Tribunal Inland Revenue on 29 March 2021 which is pending for adjudication.

viii) Additional Commissioner Inland Revenue amended the assessment for tax year 2024, vide assessment order dated 24 June 2026, by amending the Company's apportionment of expenses and created a tax demand of Rupees 227.826 million. Being aggrieved with the order, the Company preferred an appeal before the Commissioner Inland Revenue, Appeals on 22 July 2026, after the reporting date, which is pending for adjudication.

ix) Deputy Commissioner Inland Revenue under section 161/205 of the Income Tax Ordinance, 2001 created a tax demand of Rupees 12.153 million for tax year 2020, vide assessment order dated 16 September 2025. Being aggrieved with the order, the Company filed appeal before Commissioner Inland Revenue, Appeals on 16 October 2025 which is pending for adjudication.

x) Deputy Commissioner Inland Revenue passed Order-in-Original No. 05/2025-26 dated 08 September 2025 for the recovery of Rupees 26.057 million along with default surcharge and penalty regarding several non compliance of Sales Tax Act, 1990 including inadmissible input tax adjustment for the tax periods from July 2019 to March 2021. The Company filed appeal before Commissioner Inland Revenue, Appeals against the impugned order, on 31 August 2025 which is pending for adjudication.

xi) Deputy Commissioner Inland Revenue passed Order-in-Original No. 20/2025-26 dated 02 April 2026 for the recovery of Rupees 1.053 million along with default surcharge and penalty regarding several non compliance of Sales Tax Act, 1990 including inadmissible input tax adjustment for the tax periods from July 2024 to June 2025. The Company filed appeal before Commissioner Inland Revenue, Appeals against the order, which pending for adjudication.

Notes to the Financial Statements

For the Year ended 30 June 2026

xii) Messrs Sitara Fabrics (Private) Limited (SFPL) lodged a case in Civil Court, Faisalabad on 10 April 2023 against the Company claiming payment of processing services provided by SFPL amounting to Rupees 15.511 million. The case is pending with the Court for adjudication.

The management, based on the opinion of its tax consultants and lawyers, believes that there is a reasonable probability that these matters will be decided in favor of the Company. Pending the outcome of the matters, no provision has been made in these financial statements.

xiii) Guarantees of Rupees 482.463 million (2025: Rupees 482.463 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Faisalabad Electric Supply Company Limited against gas connections and electricity connection.

xiv) Post dated cheques of Rupees 6,082.881 million (2025: Rupees 6,239.813 million) have been issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and to First Habib Modaraba against loan and mark-up on diminishing musharkah. If documents of exports / rentals are not provided / paid on due dates, issued cheques shall be encashable.

Commitments

i) Letters of credit for capital expenditure are of Rupees 465.390 million (2025: Rupees 160.999 million).

ii) Letters of credit other than for capital expenditure are of Rupees 798.393 million (2025: Rupees 2,127.536 million).

iii) Outstanding foreign currency forward contracts are of Rupees 14,317.072 million (2025: Rupees 6,167.675 million).

iv) Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 3 miilion (30 June 2025: Rupees 2.880 million).

			2026	2025
			(RUPEES IN THOUSAND)	
18.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	18.1	11,036,850	10,745,841
	Capital work-in-progress	18.2	786,088	995,396
			11,822,938	11,741,237

Notes to the Financial Statements

For the Year ended 30 June 2026

18.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Plant and machinery	Factory tools and equipment	Electric installations and appliances	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total
	(RUPEES IN THOUSAND)									
At 30 June 2024										
Cost / revalued amount	973,085	2,502,535	10,254,848	348,417	944,217	721,631	25,438	29,664	438,936	16,238,771
Accumulated depreciation	-	(871,578)	(3,461,337)	(85,685)	(311,051)	(255,598)	(12,308)	(29,176)	(181,552)	(5,208,285)
Net book value	973,085	1,630,957	6,793,511	262,732	633,166	466,033	13,130	488	257,384	11,030,486
Year ended 30 June 2025										
Opening net book value	973,085	1,630,957	6,793,511	262,732	633,166	466,033	13,130	488	257,384	11,030,486
Additions / transferred from CWIP	18,482	133,960	325,624	-	264,307	188,661	-	-	-	931,034
Revaluation surplus (Note 5)	34,373	-	-	-	-	-	-	-	-	34,373
Classified as non current asset held for sale:										
Cost	(87,233)	-	-	-	-	-	-	-	-	(87,233)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
	(87,233)	-	-	-	-	-	-	-	-	(87,233)
Disposals:										
Cost	-	-	(288,382)	-	(360)	(46,292)	-	-	-	(335,034)
Accumulated depreciation	-	-	240,537	-	185	26,353	-	-	-	267,075
	-	-	(47,845)	-	(175)	(19,939)	-	-	-	(67,959)
Depreciation charge during the year	-	(167,561)	(683,772)	(26,273)	(70,441)	(119,616)	(1,313)	(146)	(25,738)	(1,094,860)
Closing net book value	938,707	1,597,356	6,387,518	236,459	826,857	515,139	11,817	342	231,646	10,745,841
At 30 June 2025										
Cost / revalued amount	938,707	2,636,495	10,292,090	348,417	1,208,164	864,000	25,438	29,664	438,936	16,781,911
Accumulated depreciation	-	(1,039,139)	(3,904,572)	(111,958)	(381,307)	(348,861)	(13,621)	(29,322)	(207,290)	(6,036,070)
Net book value	938,707	1,597,356	6,387,518	236,459	826,857	515,139	11,817	342	231,646	10,745,841
Year ended 30 June 2026										
Opening net book value	938,707	1,597,356	6,387,518	236,459	826,857	515,139	11,817	342	231,646	10,745,841
Additions	93,995	-	254,623	19,565	31,416	132,234	-	-	-	531,833
Transferred from CWIP (Note 18.2)	27,009	13,411	861,348	-	-	19,247	-	-	-	921,015
Disposals:										
Cost	-	-	-	-	-	(48,942)	-	-	-	(48,942)
Accumulated depreciation	-	-	-	-	-	23,830	-	-	-	23,830
	-	-	-	-	-	(25,112)	-	-	-	(25,112)
Depreciation charge during the year	-	(160,663)	(727,206)	(24,695)	(84,601)	(115,112)	(1,182)	(103)	(23,165)	(1,136,727)
Closing net book value	1,059,711	1,450,104	6,776,283	231,329	773,672	526,396	10,635	239	208,481	11,036,850
At 30 June 2026										
Cost / revalued amount	1,059,711	2,649,906	11,408,061	367,982	1,239,580	966,539	25,438	29,664	438,936	18,185,817
Accumulated depreciation	-	(1,199,802)	(4,631,778)	(136,653)	(465,908)	(440,143)	(14,803)	(29,425)	(230,455)	(7,148,967)
Net book value	1,059,711	1,450,104	6,776,283	231,329	773,672	526,396	10,635	239	208,481	11,036,850
Annual rate of depreciation (%)	-	10	10	10	10	20	10	30	10	

Notes to the Financial Statements

For the Year ended 30 June 2026

18.1.1 Value of freehold land of the Company has been determined by an independent valuer, M Y K Associates (Private) Limited on 22 October 2024 applying fair market value. Had there been no revaluation, the value of freehold land would have been lower by Rupees 551.378 million (2025: Rupees 551.378 million). The book value of freehold land on cost basis is Rupees 508.333 million (2025: Rupees 387.329 million).

18.1.2 Forced sale value of freehold land as per last revaluation carried out during the financial year ended 30 June 2025 was Rupees 782.191 million.

	Note	2026	2025
		(RUPEES IN THOUSAND)	
18.1.3 Depreciation charge for the year has been allocated as follows:			
Cost of sales	34	1,020,331	973,785
Administrative expenses	36	116,396	121,075
		1,136,727	1,094,860

18.1.4 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area (Kanal)	Coverage area (Sq. ft.)
Head office and plants	29 Kilometer, Sheikhupura Road, Faisalabad	789.91	2 207 182
Sales Office	Montgomery Bazar, Near Clock Tower, Opposite Habib Bank Limited, Faisalabad	0.05	272
		789.96	2 207 454

Notes to the Financial Statements

For the Year ended 30 June 2026

18.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
	--------- (RUPEES IN THOUSAND) ---------						
Vehicles							
Suzuki Cultus ABQ-825	1,808	1,220	588	677	89	Company Policy	Naeem Tahir, Company employee, Faisalabad
Honda City ATE-758	2,930	1,942	988	1,162	174	Company Policy	Syed Muzammil Hussain Zaidi, Company employee, Faisalabad
Suzuki Cultus ACL-842	1,808	1,234	574	677	103	Company Policy	Imran Iqbal, Company employee, Faisalabad
Suzuki Cultus ABY-919	1,808	1,198	610	677	67	Company Policy	Muhammad Imran, Company employee, Faisalabad
Suzuki Cultus ABU-492	1,808	1,153	655	677	22	Company Policy	Moazzam Bashir, Company employee, Faisalabad
Suzuki Cultus AJN-307	2,274	1,301	973	1,196	223	Company Policy	Shahzad Safdar, Company employee, Faisalabad
Suzuki Wagon R ABG-139	1,640	1,086	554	537	(17)	Company Policy	Muhammad Awais, Company employee, Faisalabad
Suzuki Wagon R ABK-624	1,640	1,086	554	537	(17)	Company Policy	Muzammil Hussain, Company employee, Faisalabad
Suzuki Alto ABM-205	1,657	1,066	591	535	(56)	Company Policy	Miss Azra Khan , Company employee, Faisalabad
Suzuki Wagon R AAG-952	1,605	1,013	592	526	(66)	Company Policy	Irfan Sakhi, Company employee, Faisalabad
Hyundai Tucson AFY-572	5,211	2,631	2,580	3,595	1,015	Company Policy	Syed Hussain Shahid Mansoor, Ex-Company employee, Faisalabad
Toyota Prius ADB-872	4,403	1,224	3,179	1,443	(1,736)	Insurance Claim	Iftikhar Ahmad, Faisalabad
Haval H6 1.5 Hev ATN-572	12,139	1,993	10,146	10,676	530	Company Policy	Syed Hussain Shahid Mansoor, Ex-Company employee, Faisalabad
Honda City Car I-Vtec Aspire	2,830	1,978	852	1,628	776	Company Policy	Zafar Iqbal, Company employee, Faisalabad
Suzuki Wagon R VXR	1,640	1,136	504	537	33	Company Policy	Shamshad Hussain, Company employee, Faisalabad
Sub Total	45,201	21,261	23,940	25,080	1,140		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	3,741	2,569	1,172	1,500	328		
Total	48,942	23,830	25,112	26,580	1,468		

18.2 Capital work-in-progress (CWIP)

	NOTE	Freehold land	Buildings on freehold land	Plant and machinery	Electric installa-tions and appliances	Vehicles	Total
		------------------------ RUPEES IN THOUSAND --------------------					
Balance at 30 June 2024		14,843	148,806	-	4,097	92,644	260,390
Additions during the year		30,648	44,830	1,199,268	260,210	131,084	1,666,040
Transferred to operating fixed assets		(18,482)	(133,960)	(325,624)	(264,307)	(188,661)	(931,034)
Balance at 30 June 2025		27,009	59,676	873,644	-	35,067	995,396
Additions during the year		83	237,834	192,366	272,113	9,311	711,707
Transferred to operating fixed assets during the year	18.1	(27,009)	(13,411)	(861,348)	-	(19,247)	(921,015)
Balance at 30 June 2026		83	284,099	204,662	272,113	25,131	786,088

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
19.	RIGHT-OF-USE ASSET			
	Vehicle		47,282	59,102
	Depreciation charge during the year	36	(9,456)	(11,820)
			37,826	47,282

19.1 There is no impairment against right-of-use asset.

		NOTE	2026	2025
20.	LONG TERM INVESTMENT			
	Investment in equity accounted associate			
	J.K. Tech (Private) Limited - Unquoted			
	450 (2025: 450) fully paid ordinary shares of Rupees 10 each	20.5	5	5
	Less: Accumulated impairment		(5)	(5)
	Accumulated impairment		-	-

20.1 Cumulative unrecognized share of loss after taxation is Rupees 2.881 million (2025: Rupees 2.877 million). The results of the equity accounted associate are based on un-audited financial statements for the year ended 30 June 2026.

		2026	2025
20.2	Summarized statement of financial position		
	Current assets	657	696
	Non-current assets	3,713	3,713
	Total assets	4,370	4,409
	Current liabilities	(100)	(100)
	Non-current liabilities	(13,888)	(13,888)
	Total liabilities	(13,988)	(13,988)
	Net assets	(9,618)	(9,579)
20.3	Reconciliation to carrying amounts:		
	As at 01 July	(9,579)	(9,559)
	Loss after taxation	(39)	(20)
	As at 30 June	(9,618)	(9,579)
20.4	Summarized statement of comprehensive income		
	Revenue	3,000	2,880
	Loss for the year	(39)	(20)
	Total comprehensive loss	(39)	(20)

20.5 The Company holds 30% (2025: 30%) shares in J.K. Tech (Private) Limited (JKTPL), a limited liability company incorporated in Pakistan and holding its principal place of business at 29 Kilometer Sheikhupura Road, Faisalabad. The principal activity of JKTPL is generation and supply of electricity. This is a strategic investment of the Company for vertical integration. The Company has provided for the investment in full in previous years as JKTPL has negative equity at year end.

20.6 There was no contingent liabilities relating to the Company's interest in JKTPL.

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
21.	**LONG TERM DEPOSITS**			
	Security deposits against utilities services		209,391	209,391
22.	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores	22.1	439,923	234,548
	Spare parts		168,416	123,860
	Loose tools		5,127	746
			613,466	359,154

22.1 These include store in transit of Rupees 75.341 million (2025: Rupees 30.032 million).

22.2 Stores, spare parts and loose tools include items which may result in fixed capital expenditure but are not distinguishable.

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
23.	**STOCK-IN-TRADE**			
	Raw materials	23.1&23.2	5,496,526	5,593,032
	Work-in-process	23.3	1,312,012	1,260,764
	Finished goods	23.4	3,298,790	4,114,710
	Waste		104,261	138,754
			10,211,589	11,107,260

23.1 These include stock in transit of Rupees 308.452 million (2025: Rupees 915.422 million).

23.2 These include stock of Rupees 1,425.505 million (2025: Rupees 1,298.170 million) sent to outside parties for conversion.

23.3 This includes stock of Rupees 347.236 million (2025: Rupees 339.301 million) sent to outside parties for processing.

23.4 These include stock in transit of Rupees 1,014.456 million (2025: Rupees 830.739 million).

23.5 Stock-in-trade of Rupees 49.963 million (2025: Rupees 27.496 million) is being carried at net realizable value.

23.6 The aggregate amount of Rupees 26.817 million (2025: Rupees 13.020 million) has been charged to cost of sales, being the cost of inventory written down during the year.

Notes to the Financial Statements

For the Year ended 30 June 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
24. TRADE DEBTS			
Considered good:			
Secured		371,442	1,723,191
Unsecured		3,993,578	3,570,166
		4,365,020	5,293,357
Allowance for expected credit losses	24.3	(15,533)	(6,194)
		4,349,487	5,287,163

24.1 Trade debts in respect of foreign and local jurisdictions are given hereunder:

	2026	2025
Australia	92,292	6,331
Belgium	13,412	135,731
Brazil	-	47,816
Bulgaria	-	31,666
Canada	-	31,905
Finland	4,076	-
France	151,807	171,105
Germany	-	27,784
Great Britain	557,958	634,689
Greece	3,629	2,760
Hong Kong	-	1,485
Italy	33,832	113,301
Lithuania	125,282	25,032
Mexico	42,281	52,179
Netherlands	103,518	15,039
Portugal	3,160	19,433
Romania	8,987	39,364
Spain	279,162	62,852
Thailand	-	35,597
United States of America	306,536	269,122
Pakistan	2,639,088	3,570,166
	4,365,020	5,293,357

24.2 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 10 to 75 days from delivery in case of local sales and 30 to 120 days in case of export sales.

24.3 Allowance for expected credit losses	NOTE	2026	2025
As at 01 July		6,194	2,755
Add: Recognized during the year	37	9,339	3,439
As at 30 June		15,533	6,194

24.4 As at 30 June 2026, trade debts aggregating to Rupees 4,365,020 million (2025: Rupees 5,293.357 million) are not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Notes to the Financial Statements

For the Year ended 30 June 2026

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
Not yet due		4,016,594	5,114,236
Upto 1 month		71,454	150,795
1 to 6 months		254,012	2,717
More than 6 months		22,960	25,609
		4,365,020	5,293,357

24.5 Trade debts include Rupees 217.877 million (2025: Rupees 260.900 million) provided to banks under bill discounting arrangements with full recourse (Note 11).

25. ADVANCES

	NOTE	2026	2025
Considered good:			
Against expenses			
- Executives		1,791	12,906
- Other employees		19,152	16,043
Employees against salary	25.1	243	18
Advances to suppliers / service providers		134,031	123,957
Letters of credit		3,605	16,391
		158,822	169,315
Considered doubtful:			
Advances to suppliers / service providers		621	-
Provision for doubtful advances to suppliers / service providers	25.2	(621)	-
		-	-
		158,822	169,315

25.1 These represent interest free loans given to Company's employees for general purposes and are secured against balance to the credit of employees in the Provident Fund Trust. These are recoverable in monthly installments based on approval at the time of advances given.

25.2 Provision for doubtful advances to suppliers / service providers

	NOTE	2026	2025
As at 01 July		-	-
Add: Provision for the year	37	621	-
As at 30 June		621	-

26. SHORT TERM DEPOSITS AND PREPAYMENT

	NOTE	2026	2025
Deposits		36,132	36,191
Prepayment		3,060	-
		39,192	36,191

27. OTHER RECEIVABLES

	NOTE	2026	2025
Considered good:			
Export rebate and claims		79,925	67,509
Fair value of forward exchange contracts		360,559	-
Other receivables		7,324	11,681
Profit on saving accounts		8	3
		447,816	79,193

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
	Considered doubtful:			
	Other receivables		2,715	2,471
	Less: Provision for doubtful other receivables	27.1	(2,715)	(2,471)
			-	-
			447,816	79,193
27.1	**Provision for doubtful other receivables**			
	As at 01 July		2,471	-
	Add: Provision for the year	37	244	2,471
	As at 30 June		2,715	2,471
28.	**SALES TAX REFUNDABLE**			
	Sales tax and federal excise duty refundable		2,414,275	1,872,371
	Less: Provision for doubtful sales tax and federal excise duty refundable		109,195	109,195
			2,305,080	1,763,176
29.	**TAXATION AND LEVY - NET**			
	Advance tax and prepaid levy		877,855	-
	Provision for taxation		(797,850)	-
	Levy payable		(8,303)	-
			71,702	-
30.	**SHORT TERM INVESTMENTS**			
	At fair value through profit or loss			
	Equity investments - quoted	30.1	10,213	9,495
	Mutual funds	30.2	-	1,950
	At amortized cost			
	Debt instruments - term deposit receipts	30.3	816,811	637,857
			827,024	649,302

Notes to the Financial Statements

For the Year ended 30 June 2026

30.1 Equity investments - quoted

	2026			2025		
	Carrying value	Fair value adjustment	Market value	Carrying value	Fair value adjustment	Market value
	-----------------(RUPEES IN THOUSAND)-----------------					
D.G. Khan Cement Company Limited Nil (2025: 10 000) fully paid ordinary shares of Rupees 10 each	-	-	-	903	753	1,656
National Refinery Limited 1 000 (2025: 1 000) fully paid ordinary shares of Rupees 10 each	243	119	362	265	(22)	243
Habib Bank Limited 13 200 (2025: 13 200) fully paid ordinary shares of Rupees 10 each	2,365	1,492	3,857	1,637	728	2,365
The Searle Company Limited 54 374 (2025: 47 282) fully paid ordinary shares of Rupees 10 each	4,738	403	5,141	2,701	1,446	4,147
International Steels Limited 5 000 (2025: 5 000) fully paid ordinary shares of Rupees 10 each	464	(10)	454	423	41	464
Dost Steels Limited 75 000 (2025: 75 000) fully paid ordinary shares of Rupees 10 each	620	(221)	399	433	187	620
	8,430	1,783	10,213	6,362	3,133	9,495

30.2 Mutual funds

	Carrying value	Fair value adjustment	Market value	Carrying value	Fair value adjustment	Market value
NBP Financial Sector Income Fund Nil (2025: 176 396) units held	-	-	-	1,880	4	1,884
NBP Islamic Daily Dividend Fund Nil (2025: 2 320) units held	-	-	-	23	-	23
NBP Money Market Fund Nil (2025: 2 072) units held	-	-	-	21	-	21
NBP Islamic Money Market Fund Nil (2025: 63) units held	-	-	-	1	-	1
Meezan Cash Fund Nil (2025: 327) units held	-	-	-	17	-	17
Meezan Daily Income Fund Nil (2025: 82) units held	-	-	-	4	-	4
	-	-	-	1,946	4	1,950

30.2.1 The fair value of funds were based on the Net Asset Value (NAV) being the bid price at reporting date as quoted by the respective asset management companies.

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
30.3	Debt instruments - term deposit receipts			
	At amortized cost	30.3.1	796,000	616,000
	Add: Accrued interest		20,811	21,857
			816,811	637,857

30.3.1 These represent Term Deposit Receipts (TDRs) with banking companies having maturity period of 1 year and carry profit at the rate of 7.00% to 12.30% per annum (2025: 7.00% to 17.50%).

		NOTE	2026	2025
31.	CASH AND BANK BALANCES			
	With banks:			
	On current accounts			
	Local currency		311,506	283,768
	Foreign currency	31.1	120,380	159,136
	On saving accounts	31.2	10,728	10,175
			442,614	453,079
	Cash in hand		14,416	19,800
			457,030	472,879

31.1 These represent US$ 432,943 (2025: US$ 561,127).

31.2 Rate of profit on saving accounts was ranging from 0.13% to 2.76% (2025: 0.13% to 10.10%) per annum.

32. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the year, the Company finalized the disposal of its freehold land and building situated at Dost Street, Maqbool Road, Faisalabad, which was previously classified as a 'non-current asset held for sale'. The asset was sold for a total consideration of Rupees 87.344 million, resulting in a gain on disposal of Rupees 0.112 million, which has been recognized in the statement of profit or loss under 'Other Income' (Note 38).

		NOTE	2026	2025
33.	REVENUE			
	Revenue from contracts with customers:			
	-Export sales		25,383,481	23,607,676
	-Local sales	33.1	17,944,226	18,989,306
	-Processing income	33.2	113,950	181,996
			43,441,657	42,778,978
	Export rebate		70,500	58,869
			43,512,157	42,837,847
33.1	Local sales			
	Sales		21,174,187	22,407,381
	Sales tax		(3,229,961)	(3,418,075)
			17,944,226	18,989,306

Notes to the Financial Statements

For the Year ended 30 June 2026

33.1.1 Local sales includes waste sales amounting to Rupees 314.567 million (2025: Rupees 1,056.960 million).

33.2 Processing income is net of sales tax amounting to Rupees 20.511 million (2025: Rupees 32.759 million).

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
34. COST OF SALES			
Raw materials consumed	34.1	23,155,581	26,109,200
Stores, spare parts and loose tools consumed		1,854,438	1,619,695
Packing materials consumed		830,134	724,197
Processing, sizing and conversion charges		3,941,775	3,566,516
Fuel and power		3,722,032	4,007,600
Salaries, wages and other benefits	34.2	2,271,983	1,863,738
Repair and maintenance		45,740	39,545
Insurance		32,240	46,670
Depreciation on property, plant and equipment	18.1.3	1,020,331	973,785
Other factory overheads	34.3	21,854	19,652
		36,896,108	38,970,598
Work-in-process			
Opening stock		1,260,764	1,105,335
Closing stock		(1,312,012)	(1,260,764)
		(51,248)	(155,429)
Cost of goods manufactured		36,844,860	38,815,169
Finished goods			
Opening stock		4,253,464	3,627,585
Closing stock		(3,403,051)	(4,253,464)
		850,413	(625,879)
		37,695,273	38,189,290

34.1 Raw materials consumed

	2026	2025
Opening stock	5,593,032	5,941,099
Add: Purchased during the year	23,059,075	25,761,133
	28,652,107	31,702,232
Closing stock	(5,496,526)	(5,593,032)
	23,155,581	26,109,200

34.2 Salaries, wages and other benefits include provident fund contribution of Rupees 62.230 million (2025: Rupees 60.851 million) by the Company.

34.3 These include Rupees 3 million (2025: Rupees 2.880 million) related to short term lease in respect of rental expenses to J.K. Tech (Private) Limited, a related party.

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
35.	DISTRIBUTION COST			
	Salaries and other benefits	35.1	60,603	51,999
	Freight and shipment		674,223	769,596
	Commission to selling agents		506,488	444,624
	Travelling and conveyance		53,094	34,312
	Export development surcharge		24,175	57,475
	Insurance		11,246	2,588
	Miscellaneous		84,521	52,601
			1,414,350	1,413,195

35.1 Salaries and other benefits include provident fund contribution of Rupees 3.188 million (2025: Rupees 2.836 million) by the Company.

		NOTE	2026	2025
36.	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits	36.1	344,668	295,953
	Travelling and conveyance		26,591	19,349
	Vehicles' running and maintenance		25,362	36,213
	Rent, rates and taxes	36.2	14,591	8,204
	Repair and maintenance		3,227	5,883
	Insurance		13,528	12,400
	Printing and stationery		312	306
	Advertisement		203	378
	Communication		27,212	26,534
	Fee and subscription		32,105	33,418
	Entertainment		20,732	17,490
	Legal and professional		1,370	3,480
	Auditor's remuneration	36.3	3,988	4,009
	Depreciation on property, plant and equipment	18.1.3	116,396	121,075
	Depreciation on right-of-use asset	19	9,456	11,820
	Other charges		2,475	5,820
			642,216	602,332

36.1 Salaries and other benefits include provident fund contribution of Rupees 14.386 million (2025: Rupees 10.547 million) by the Company.

36.2 These include Ijarah rentals amounting to Rupees Nil (2025: Rupees 7.826 million) of vehicles.

		2026	2025
36.3	Auditor's remuneration		
	Audit fee	3,200	3,200
	Half yearly review	235	200
	Certifications required by various regulations	124	185
	Reimbursable expenses	250	250
	Sales tax	179	174
		3,988	4,009

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
37.	OTHER EXPENSES			
	Donations	37.1	13,429	11,619
	Allowance for expected credit losses - net	24.3	9,339	3,439
	Provision for doubtful other receivables	27.1	244	2,471
	Workers' profit participation fund	11.3	154,193	59,644
	Workers' welfare fund	11.4	51,797	23,574
	Fair value loss on forward exchange contracts		-	169,621
	Provision for doubtful advances to suppliers / service providers	25.2	621	-
			229,623	270,368

37.1 The name of donees to whom donation is made in excess of Rupees 1.343 million (2025: Rupees 1.162 million) are as follows:

	2026	2025
The Life Care Foundation Trust	1,700	1,200
AlKhidmat Khawateen Trust Pakistan	1,940	-

37.1.1 None of the directors or their spouses have any interest in the donees.

		NOTE	2026	2025
38.	OTHER INCOME			
	Income from financial assets			
	Dividend income on investments at FVTPL		306	957
	Unrealized gain on remeasurement of investments at FVTPL		1,783	3,137
	Gain on sale of investments at FVTPL		766	10,302
	Profit on saving accounts and TDRs		66,537	73,578
	Net exchange gain		280,408	383,847
	Fair value gain on forward exchange contracts		360,559	-
			710,359	471,821
	Income from non-financial assets			
	Duty drawback of previous years recovered during the year		-	79,463
	Rental income		2,700	2,640
	Scrap sales		11,337	28,534
	Gain on sale of property, plant and equipment		1,468	9,915
	Gain on sale of non-current assets held for sale		112	-
			15,617	120,552
			725,976	592,373
39.	FINANCE COST			
	Mark up / profit on:			
	Long term financing		350,324	365,190
	Short term borrowings		861,745	1,303,850
	Lease liabilities	8.1	3,938	7,460
	Interest on workers' profit participation fund	11.3	3,065	13,401
	Bank charges and commission		92,297	110,006
			1,311,369	1,799,907

Notes to the Financial Statements

For the Year ended 30 June 2026

		NOTE	2026	2025
			(RUPEES IN THOUSAND)	
40.	LEVY			
	Levy for the year	40.1	8,303	377,865
	Prior year adjustment		617	(7,877)
			8,920	369,988

40.1 Levy represents minimum tax on turnover and other income under relevant provisions of the Income Tax Ordinance, 2001.

41. TAXATION

	NOTE	2026	2025
Current tax:			
For the year	41.1	797,850	271,279
Prior year adjustment		54,892	-
Deferred	9.1	502,735	-
		1,355,477	271,279

41.1 Taxation for the year represents tax on taxable income under relevant provisions of Income Tax Ordinance, 2001.

41.2 Reconciliation between tax expense and accounting profit

	NOTE	2026	2025
Profit before levy and taxation		2,945,302	1,155,128
Applicable tax rate		29%	29%
Tax on accounting profit		854,138	334,987
Prior period adjustment		55,509	(7,877)
Effect of super tax		261,967	111,852
Effect of final tax regime income taxed at a lower rate		(43)	(103)
Effect of capital gain income taxed at a lower rate		(126)	(1,699)
Effect of rental income taxed at a lower rate		(157)	(153)
Adjustment of minimum tax brought forward		(191,993)	-
Effect of minimum tax		-	214,723
Effect of expenses / income that are not considered in determining taxable liability		(117,633)	(10,463)
Effect of deferred tax		502,735	-
		1,364,397	641,267
Current tax liability and levy payable as per applicable law			
Taxation	41	(1,355,477)	(271,279)
Levy	40	(8,920)	(369,988)
		-	-

Notes to the Financial Statements

For the Year ended 30 June 2026

	2026	2025
42. EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	1,580,905	513,861
Weighted average number of ordinary shares (Numbers)	102,317,502	102,317,502
Earnings per share (Rupees)	15.45	5.02

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
43. CASH GENERATED FROM OPERATIONS			
Profit before levy and taxation		2,945,302	1,155,128
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	18.1.3	1,136,727	1,094,860
Depreciation on right-of-use asset	19	9,456	11,820
Net unrealized exchange loss / (gain)		17,627	(27,852)
Provision for doubtful advances to suppliers / service providers	37	621	-
Gain on sale of non-current assets held for sale	38	(112)	-
Finance cost	39	1,311,369	1,799,907
Provision for workers' profit participation fund	37	154,193	59,644
Profit on saving accounts and TDRs	38	(66,537)	(73,578)
Fair value gain on forward exchange contracts	38	(360,559)	-
Gain on sale of property, plant and equipment	38	(1,468)	(9,915)
Gain on sale of investments at FVTPL	38	(766)	(10,302)
Allowance for expected credit losses - net	37	9,339	3,439
Provision for doubtful other receivables	37	244	2,471
Unrealized gain on remeasurement of investments at FVTPL	38	(1,783)	(3,137)
Working capital changes	43.1	641,366	681,741
		5,795,019	4,684,226

	2026	2025
43.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(254,312)	(34,255)
- Stock-in-trade	895,671	(433,241)
- Trade debts	915,448	(972,786)
- Advances	9,872	(66,136)
- Short term deposits and prepayment	(3,001)	17,468
- Other receivables	(8,308)	90,883
- Sales tax refundable	(541,904)	1,176,976
	1,013,466	(221,091)
(Decrease) / increase in current liabilities:	(176,704)	1,000,095
- Trade and other payables	(195,396)	(97,263)
- Contract liabilities	(372,100)	902,832
	641,366	681,741

Notes to the Financial Statements

For the Year ended 30 June 2026

43.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2026				2025			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	----------------				(RUPEES IN THOUSAND)			----------------
Balance as at 01 July	3,889,894	36,493	9,803,222	749	3,535,230	47,839	9,763,274	749
Proceeds from long term financing	651,913	-	-	-	1,156,298	-	-	-
Other charges accrued but not paid	-	204	-	-	-	361	-	-
Amortization of deferred grant - net	97,640	-	-	-	115,743	-	-	-
Borrowings obtained - net	-	-	(1,897,605)	-	-	-	39,948	-
Repayment of long term financing	(952,522)	-	-	-	(917,377)	-	-	-
Repayment of lease liabilities	-	(13,909)	-	-	-	(11,707)	-	-
Dividend declared	-	-	-	2,969	-	-	-	-
Dividend paid	-	-	-	(2,860)	-	-	-	-
Balance as at 30 June	3,686,925	22,788	7,905,617	858	3,889,894	36,493	9,803,222	749

Notes to the Financial Statements

For the Year ended 30 June 2026

	2026	2025
	(RUPEES IN THOUSAND)	
43.3 Non cash financing activities		
Deferred income - Government grant - net	(97,640)	(115,743)
Other charges accrued but not paid	204	361

44. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, directors and executives of the Company is as follows:

	Chief Executive Officer		Executive Director		Non-Executive Director		Executives	
	2026	2025	2026	2025	2026	2025	2026	2025
	------------------------ (RUPEES IN THOUSAND) ------------------------							
Managerial remuneration	18,000	18,000	18,000	18,000	-	12,800	157,658	118,865
Contribution to provident fund	1,000	1,000	1,000	1,000	-	711	6,769	5,110
Total	19,000	19,000	19,000	19,000	-	13,511	164,427	123,975
Number of persons	1	1	1	1	1	1	57	42

44.1 The Chief Executive Officer, directors and certain executives are provided with free use of the Company maintained vehicles. Certain directors and executives are also provided reimbursement of travelling expenses, club and other utilities.

44.2 No meeting fee was paid to any director of the Company.

45. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the regulations formulated for this purpose.

	2026	2025
	(NUMBER OF PERSONS)	
46. NUMBER OF EMPLOYEES		
Number of employees as at 30 June	3 051	2 880
Average number of employee during the year	3 004	3 197

Notes to the Financial Statements

For the Year ended 30 June 2026

47. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the associate, associated companies, other related parties and key management personnel. The Company in the normal course of business carried out transactions with various related parties. Detail of transactions with related parties along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Basis of relationship	Nature of transaction	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Associate				
J.K. Tech (Private) Limited (JKTPL)	30% shareholding in JKTPL	Service charges	3,000	2,880
		Rental income	2,700	2,640
		Expenses paid on behalf of JKTPL	337	424
Associated company				
J.K. Digisol (Private) Limited	Common directorship	Store purchased and payment made	863	-
Other related parties				
J.K. Spinning Mills Limited - Employees' Provident Fund Trust (Note 47.1)	Post employment benefit plan	Contribution made	79,804	74,234
Chief Executive Officer and a Director	Members of Board of Directors	Loans repaid	-	500,000
Executives	Key management personnel	Vehicles sold	22,515	13,954
		Dividend paid	2	-

47.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 44.

47.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended 2026	Transactions entered or agreements and / or arrangements in place during the financial year ended 2025	Percentage of shareholding
J.K. Tech (Private) Limited (JKTPL)	Common directorship and shareholding	Yes	Yes	30%
J.K. Agriculture Farms (Private) Limited	Common directorship	No	No	None
Fine Fabrics (Private) Limited	Common directorship	No	No	None
J.K. Power Limited	Common directorship	No	No	None
J.K. Digisol (Private) Limited	Common directorship	Yes	Yes	None
FNAF Property Venture (Private) Limited	Common directorship	No	No	None
J.K. Farms Food (SMC-Private) Limited	Common directorship	No	No	None
Mr. Faiq Jawed	Chief Executive Officer	Yes	Yes	-
Mr. Shaiq Jawed	Director	Yes	Yes	-
Mrs. Farhat Jehan	Director	No	No	-
Mrs. Nageen Faiq	Director	No	No	-
Mrs. Sadaf Aamir Arshad	Director	No	No	-
Mr. Syed Sohaib Mansoor Naqvi	Director	No	No	-
Mr. Muhammad Tayyab Zahid	Director	No	No	-

Notes to the Financial Statements

For the Year ended 30 June 2026

		2026	2025
		(RUPEES IN THOUSAND)	
48. PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day for 1095 shifts (2025: 1 095 shifts)	(Kgs.)	69,276	64,042
Actual production converted to 20s count based on 3 shifts per day for 1 094 shifts (2025: 1 094 shifts)	(Kgs.)	51,957	47,612
Weaving			
100 % plant capacity converted to 50 picks based on 3 shifts per day for 1 095 shifts (2025: 1 095 shifts)	(Sq. Mtr.)	20,986	20,986
Actual production converted to 50 picks based on 3 shifts per day for 1 062 shifts (2025: 1 068 shifts)	(Sq. Mtr.)	17,432	17,841

Fabric and Home textile

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

48.1 REASONS FOR LOW PRODUCTION

Spinning

Under utilization of available capacity is mainly due to relocation of some ring frames and producing specialized yarn during the year. Moreover power shut downs / jerks were also the reason for low production.

Weaving

Under utilization of available capacity is mainly due to power shutdowns / jerks and articles changing during the year.

Notes to the Financial Statements

For the Year ended 30 June 2026

49. SEGMENT INFORMATION

	Spinning		Fabric Division		Elimination of Inter-segment transactions		Total - Company	
	2026	2025	2026	2025	2026	2025	2026	2025
	(RUPEES IN THOUSAND)							
Revenue from contracts with customers								
External	17,784,192	18,636,715	25,727,965	24,201,132	-	-	43,512,157	42,837,847
Intersegment	4,734,620	2,047,129	-	-	(4,734,620)	(2,047,129)	-	-
	22,518,812	20,683,844	25,727,965	24,201,132	(4,734,620)	(2,047,129)	43,512,157	42,837,847
Cost of sales	(19,182,882)	(19,121,106)	(23,247,011)	(21,115,313)	4,734,620	2,047,129	(37,695,273)	(38,189,290)
Gross profit	3,335,930	1,562,738	2,480,954	3,085,819	-	-	5,816,884	4,648,557
Distribution cost	(250,540)	(82,617)	(1,163,810)	(1,330,578)	-	-	(1,414,350)	(1,413,195)
Administrative expenses	(434,668)	(399,464)	(207,548)	(202,868)	-	-	(642,216)	(602,332)
	(685,208)	(482,081)	(1,371,358)	(1,533,446)	-	-	(2,056,566)	(2,015,527)
Profit before taxation and unallocated income and expenses	2,650,722	1,080,657	1,109,596	1,552,373	-	-	3,760,318	2,633,030
Unallocated income and expenses:								
Other expenses							(229,623)	(270,368)
Other income							725,976	592,373
Finance cost							(1,311,369)	(1,799,907)
Levy							(8,920)	(369,988)
Taxation							(1,355,477)	(271,279)
Profit after taxation							1,580,905	513,861

49.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric Division		Total - Company	
	2026	2025	2026	2025	2026	2025
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	19,084,474	20,359,766	10,090,107	9,885,834	29,174,581	30,245,600
Sales tax refundable					2,305,080	1,763,176
Taxation and levy - net					71,702	-
Total assets as per statement of financial position					31,551,363	32,008,776
Total liabilities for reportable segments	7,847,158	10,926,468	7,426,051	6,741,763	15,273,209	17,668,231
Unallocated liabilities						
Deferred income tax liability					502,735	-
Taxation and levy - net					-	21,708
Other unallocated liabilities					154,268	275,622
Total liabilities as per statement of financial position					15,930,212	17,965,561

All segment liabilities are allocated to reportable segments other than corporate and tax liabilities.

49.2 The Company's revenue from external customers in respect of products is detailed below:

	Spinning 2026	Spinning 2025	Fabric 2026	Fabric 2025	Total 2026	Total 2025
Yarn / other	17,550,645	17,868,949	197,499	47,172	17,748,144	17,916,121
Fabric	-	-	4,949,930	4,901,082	4,949,930	4,901,082
Made ups	-	-	20,433,551	18,942,919	20,433,551	18,942,919
Processing income	-	-	113,950	181,996	113,950	181,996
Waste	233,547	767,766	33,035	127,963	266,582	895,729
	17,784,192	18,636,715	25,727,965	24,201,132	43,512,157	42,837,847

Notes to the Financial Statements

For the Year ended 30 June 2026

49.3 Geographical Information

The Company's revenue from external customers by geographical locations is detailed below:

	Spinning		Fabric		Total Company	
	2026	2025	2026	2025	2026	2025
	---------------------(RUPEES IN THOUSAND)---------------------					
Albania	-	-	-	9,166	-	9,166
Argentina	-	-	4,421	-	4,421	-
Australia	-	-	1,245,683	141,415	1,245,683	141,415
Bangladesh	-	-	-	40,655	-	40,655
Belgium	-	-	497,729	1,066,564	497,729	1,066,564
Brazil	-	-	39,868	263,141	39,868	263,141
Bulgaria	-	-	174,293	84,616	174,293	84,616
Canada	-	-	10,219	82,699	10,219	82,699
Colombia	-	-	50,569	66,008	50,569	66,008
Cyprus	-	-	69,950	29,464	69,950	29,464
Ecuador	-	-	223,366	221,954	223,366	221,954
Estonia	-	-	98,412	-	98,412	-
Finland	-	-	5,816	-	5,816	-
France	-	-	215,544	3,295,065	215,544	3,295,065
Germany	-	-	34,214	481,414	34,214	481,414
Great Britain	-	-	9,991,851	7,019,687	9,991,851	7,019,687
Greece	-	-	63,985	103,830	63,985	103,830
Italy	-	-	1,948,938	1,589,115	1,948,938	1,589,115
Jamaica	-	-	61,444	84,408	61,444	84,408
Kazakhstan	-	-	25,800	44,117	25,800	44,117
Lithuania	-	-	536,876	341,404	536,876	341,404
Malaysia	-	-	-	50,226	-	50,226
Mexico	-	-	436,085	427,657	436,085	427,657
Netherlands	-	-	1,450,902	829,344	1,450,902	829,344
Norway	-	-	11,253	-	11,253	-
Oman	-	-	-	14,405	-	14,405
Peru	-	-	13,503	-	13,503	-
Poland	-	-	29,230	241,497	29,230	241,497
Portugal	-	-	178,739	236,938	178,739	236,938
Romania	-	-	409,417	277,030	409,417	277,030
Saudi Arabia	-	-	-	95,811	-	95,811
Slovakia	-	-	40,581	45,084	40,581	45,084
Somalia	-	-	-	22,013	-	22,013
South Africa	-	-	31,103	87,136	31,103	87,136
Spain	-	-	3,173,711	2,070,633	3,173,711	2,070,633
Sri Lanka	-	-	-	55,586	-	55,586
Suriname	-	-	-	11,990	-	11,990
Sweden	-	-	76,475	13,494	76,475	13,494
Tunisia	-	-	-	30,793	-	30,793
Ukraine	-	-	-	98,749	-	98,749
United Arab Emirates	-	-	24,009	55,804	24,009	55,804
United States of America	-	-	4,209,495	3,978,764	4,209,495	3,978,764
Pakistan	17,784,192	18,636,715	273,984	534,587	18,058,176	19,171,302
Export rebate	-	-	70,500	58,869	70,500	58,869
	17,784,192	18,636,715	25,727,965	24,201,132	43,512,157	42,837,847

Notes to the Financial Statements

For the Year ended 30 June 2026

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

49.5 Revenue is recognized at the point in time as per terms and conditions of underlying contracts with customers.

49.6 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

50. FINANCIAL RISK MANAGEMENT

50.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposure.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro and Great Britain Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2026	2025
Cash at banks - USD	432,943	561,127
Trade debts - USD	4,619,199	4,120,312
Trade debts - Euro	819,918	899,600
Trade debts - GBP	493,750	657,581
Short term borrowings - USD	2,715,341	-
Net exposure - USD	2,336,801	4,681,439
Net exposure - Euro	819,918	899,600
Net exposure - GBP	493,750	657,581
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	279.03	279.03
Reporting date rate	278.05	283.60

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	2026	2025
Rupees per Euro		
Average rate	324.60	300.28
Reporting date rate	316.95	332.25
Rupees per GBP		
Average rate	378.48	359.58
Reporting date rate	367.98	388.97

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and GBP with all other variables held constant, the impact on profit before taxation for the year would have been Rupees 50.746 million (2025: Rupees 87.582 million) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. At the year end, the Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Index of Pakistan Stock Exchange Limited (PSX) and Mutual Funds Association of Pakistan (MUFAP) on the Company's profit before taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation	
	2026	2025
	(RUPEES IN THOUSAND)	
PSX 100 / MUFAP (10% increase)	950	1,064
PSX 100 / MUFAP (10% decrease)	(950)	(1,064)

(iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, lease liabilities, short term borrowings, bank balances in saving account and term deposit receipts. However the Company has no significant long term interest bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2026	2025
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	796,000	616,000
Financial liabilities		
Long term financing	1,259,469	1,304,264
Short term borrowings	5,719,032	3,831,000
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	10,728	10,175
Financial liabilities		
Long term financing	2,427,456	2,585,630
Lease liabilities	22,788	36,493
Short term borrowings	2,186,585	5,972,222

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 profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees 43.023 million (2025: Rupees 79.833 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2026	2025
	(RUPEES IN THOUSAND)	
Trade debts	4,349,487	5,287,163
Advances	243	18
Deposits	245,523	245,582
Other receivables	367,891	11,684
Investments	827,024	649,302
Bank balances	442,614	453,079
	6,232,782	6,646,828

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

	Rating			2026	2025
	Short term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Askari Bank Limited	A1+	AA+	PACRA	17,202	85,842
The Bank of Punjab	A1+	AAA+	PACRA	35,258	84,394
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	VIS	47,135	72,267
The Bank of Khyber	A1	AA-	VIS	4,579	2,307
Habib Bank Limited	A1+	AAA	VIS	14,817	60,076
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	36	11,368
National Bank of Pakistan	A1+	AAA	PACRA	25,478	25,986
Allied Bank Limited	A1+	AAA	PACRA	22	20
Meezan Bank Limited	A1+	AAA	VIS	122,562	51,357
Bank Makramah Limited	A2	A-	VIS	25	25
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	982	28,936
Industrial and Commercial Bank of China	P1	A1	Moody's	449	449
BankIslami Pakistan Limited	A1	AA-	PACRA	1,004	3,078
JS Bank Limited	A1+	AA	PACRA	63,273	110
Bank Alfalah Limited	A1+	AAA	PACRA	63,647	783
United Bank Limited	A1+	AAA	VIS	43,806	26,068
MCB Bank Limited	A1+	AAA	PACRA	13	13
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	232	-
Samba Bank Limited	A1+	AA	PACRA	2,094	-
				442,614	453,079

	Rating			2026	2025
	Short term	Long term	Agency	(RUPEES IN THOUSAND)	
Equity investments					
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	-	1,656
National Refinery Limited	A1	AA	PACRA	362	243
Habib Bank Limited	A1+	AAA	VIS	3,857	2,365
The Searle Company Limited	A1	AA-	VIS	5,141	4,147
International Steels Limited	A1	A+	VIS	454	464
Dost Steels Limited		Unknown		399	620
				10,213	9,495
Mutual funds					
NBP Financial Sector Income Fund		A+(f)	PACRA	-	1,884
NBP Islamic Daily Dividend Fund		AA+(f)	PACRA	-	23
NBP Money Market Fund		AA(f)	PACRA	-	21
NBP Islamic Money Market Fund		AA(f)	PACRA	-	1
Meezan Cash Fund		AA+(f)	VIS	-	17
Meezan Daily Income Fund		AA-(f)	VIS	-	4
				-	1,950
Term deposit receipts					
The Bank of Punjab	A1+	AAA	PACRA	500,000	350,000
The Bank of Khyber	A1	AA-	VIS	296,000	266,000
Sub total				796,000	616,000
Grand Total				1,248,827	1,080,524

Notes to the Financial Statements

For the Year ended 30 June 2026

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 24.

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

Trade debts

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

At 30 June 2026	Local sales			Export Sales		
	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance
Not past due	0.00%	2,293,822	-	0.00%	1,351,330	-
Up to 30 days	0.00%	71,454	-	0.00%	-	-
31 to 60 days	0.95%	123,512	1,173	0.00%	-	-
61 to 90 days	2.75%	110,138	3,029	0.00%	-	-
91 to 180 days	9.07%	20,362	1,847	0.00%	-	-
181 to 360 days	27.58%	18,607	5,132	0.00%	-	-
Above 360 days	100.00%	1,193	1,193	100.00%	3,160	3,160
		2,639,088	12,373		1,354,490	3,160.00
Trade debts which are not subject to risk of default		-	-		371,442	-
Total		2,639,088	12,373		1,725,932	3,160

Notes to the Financial Statements

For the Year ended 30 June 2026

At 30 June 2025	Local sales			Export Sales		
	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance (RUPEES IN THOUSAND)	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance (RUPEES IN THOUSAND)
Not past due	0.00%	3,391,045	-	0.00%	-	-
Up to 30 days	0.00%	150,795	-	0.00%	-	-
31 to 60 days	0.00%	710	-	0.00%	-	-
61 to 90 days	0.00%	907	-	0.00%	-	-
91 to 180 days	0.00%	1,100	-	0.00%	-	-
181 to 360 days	0.00%	19,415	-	0.00%	-	-
Above 360 days	100.00%	6,194	6,194	100.00%	-	-
		3,570,166	6,194		-	-
Trade debts which are not subject to risk of default		-	-		1,723,191	-
Total		3,570,166	6,194		1,723,191	-

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 20,304 million (2025: Rupees 16,496 million) available funded borrowing limits from financial institutions and Rupees 457.030 million (2025: Rupees 472.879 million) cash and bank balances. Moreover, the Company has Rupees 4,182 million (2025: Rupees 1,540 million) unfunded borrowing limits out of which Rupees 784.562 million (2025: Rupees 782.463 million) were utilized. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Long term financing	3,686,925	4,712,238	624,042	705,656	1,214,310	2,168,230
Lease liabilities	22,788	24,797	8,752	8,752	7,293	-
Trade and other payables	2,090,663	2,090,663	2,090,663	-	-	-
Accrued mark-up	162,422	162,422	162,422	-	-	-
Short term borrowings	7,905,617	8,139,808	8,139,808	-	-	-
Unclaimed dividend	858	858	858	-	-	-
	13,869,273	15,130,786	11,026,545	714,408	1,221,603	2,168,230

Notes to the Financial Statements

For the Year ended 30 June 2026

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	------------------------- (RUPEES IN THOUSAND) -------------------------					
Non-derivative financial liabilities:						
Long term financing	3,889,894	4,125,913	424,692	444,642	1,095,843	2,160,736
Lease liabilities	36,493	43,107	8,919	8,919	17,838	7,431
Trade and other payables	2,436,591	2,436,591	2,436,591	-	-	-
Accrued mark-up	189,512	189,512	189,512	-	-	-
Short term borrowings	9,803,222	10,118,195	10,118,195	-	-	-
Unclaimed dividend	749	749	749	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contract	64,332	64,332	64,332	-	-	-
	16,420,793	16,978,399	13,242,990	453,561	1,113,681	2,168,167

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates / profit rates effective as at 30 June. The rates of interest / mark-up / profit have been disclosed in Note 7, Note 8 and Note 14 to these financial statements.

50.2 Financial instruments by categories

	2026			2025		
	At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
	---------------------------- RUPEES IN THOUSAND ----------------------------					
As at 30 June						
Financial assets as per statement of financial position						
Trade debts	-	4,349,487	4,349,487	-	5,287,163	5,287,163
Advances	-	243	243	-	18	18
Deposits	-	245,523	245,523	-	245,582	245,582
Other receivables	360,559	87,257	447,816	-	11,684	11,684
Short term investments	10,213	816,811	827,024	11,445	637,857	649,302
Cash and bank balances	-	457,030	457,030	-	472,879	472,879
	370,772	5,956,351	6,327,123	11,445	6,655,183	6,666,628

	2026	2025		
	At amortized cost	At fair value through profit or loss	At amortized cost	Total
	------------- RUPEES IN THOUSAND -------------			
As at 30 June				
Financial liabilities as per statement of financial position				
Long term financing	3,686,925	-	3,889,894	3,889,894
Lease liabilities	22,788	-	36,493	36,493
Trade and other payables	2,090,663	64,332	2,436,591	2,500,923
Accrued mark-up	162,422	-	189,512	189,512
Short term borrowings	7,905,617	-	9,803,222	9,803,222
Unclaimed dividend	858	-	749	749
	13,869,273	64,332	16,356,461	16,420,793

Notes to the Financial Statements
For the Year ended 30 June 2026

Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2026			2025		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	RUPEES IN THOUSAND					
As at 30 June						
Assets as per statement of financial position						
Trade debts	4,349,487	-	4,349,487	5,287,163	-	5,287,163
Advances	243	158,579	158,822	18	169,297	169,315
Long term deposits	209,391	-	209,391	209,391	-	209,391
Short term deposits and prepayment	39,192	3,060	39,192	36,191	-	36,191
Other receivables	367,891	79,925	447,816	11,684	67,509	79,193
Short term investments	827,024	-	827,024	649,302	-	649,302
Cash and bank balances	457,030	-	457,030	472,879	-	472,879
	6,250,258	241,564	6,488,762	6,666,628	236,806	6,903,434

	2026			2025		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
	RUPEES IN THOUSAND					
As at 30 June						
Liabilities as per statement of financial position						
Long term financing	3,686,925	-	3,686,925	3,889,894	-	3,889,894
Lease liabilities	22,788	-	22,788	36,493	-	36,493
Trade and other payables	2,090,663	1,236,461	3,327,124	2,436,591	972,613	3,409,204
Accrued mark-up	162,422	-	162,422	189,512	-	189,512
Short term borrowings	7,905,617	-	7,905,617	9,803,222	-	9,803,222
Unclaimed dividend	858	-	858	749	-	749
	13,869,273	1,236,461	15,105,734	16,356,461	972,613	17,329,074

50.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

50.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, and to make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to Note 7 and Note 14 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

Notes to the Financial Statements

For the Year ended 30 June 2026

	2026	2025
	(RUPEES IN THOUSAND)	
Borrowings	11,608,200	13,706,549
Total equity	15,621,151	14,043,215
Total capital employed	27,229,351	27,749,764
	(PERCENTAGE)	
Gearing ratio	42.63	49.39

The decrease in the gearing ratio resulted primarily from decrease in short term borrowings of the Company.

51. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Recurring fair value measurement				
At 30 June 2026				
Financial assets				
At fair value through profit or loss	10,213	-	-	10,213
Derivative financial assets	-	360,559	-	360,559
Total financial assets	10,213	360,559	-	370,772
At 30 June 2025				
Financial liabilities				
At fair value through profit or loss	11,445	-	-	11,445
Total financial liabilities	11,445	-	-	11,445
Financial liabilities				
Derivative financial liabilities	-	64,332	-	64,332
Total financial liabilities	-	64,332	-	64,332

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Financial Statements

For the Year ended 30 June 2026

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value listed financial instruments include the use of quoted market prices.

52. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for the non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
At 30 June 2026				
Freehold land	-	1,059,711	-	1,059,711
Total non-financial assets	-	1,059,711	-	1,059,711
At 30 June 2025				
Freehold land	-	938,707	-	938,707
Total non-financial assets	-	938,707	-	938,707

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment). The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land. Last valuation of freehold land was performed by Messrs. M Y K Associates (Private) Limited.

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Notes to the Financial Statements

For the Year ended 30 June 2026

53. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Description	NOTE	2026	2025
		RUPEES IN THOUSAND	
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode			
Short term borrowings		9,622,598	5,079,645
Long term financing		316,980	8,169
Lease financing		-	-
Interest or mark-up accrued on any conventional loan or advance			
Short term borrowings		593,462	1,086,869
Long term financing		254,351	261,122
Long-term and short-term Shariah compliant Investments			
Short term borrowings		6,356	7,130
Shariah-compliant bank deposits, bank balances, and TDRs		173,201	83,371
Revenue earned from shariah compliant business segment	33	43,512,157	42,837,847
Break - up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates			
Dividend income		22	686
Unrealized gain / (loss) on remeasurement of equity investments at FVTOCI - net		291	-
Realized gain on sale of investments		766	-
Profit earned from Shariah Compliant bank deposits, bank balances or TDRs		48	84
Exchange gain earned from actual currency	38	280,408	383,847
Exchange gains earned using conventional derivative financial instruments		360,559	-
Profit paid on Islamic mode of financing		369,301	218,188
Total Interest earned on any conventional loan or advance		-	-
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income			
Shariah-compliant			
Dividend income on investments at FVTPL		22	683
Unrealized gain on remeasurement of investments at FVTPL		291	3,137
Gain on sale of investments at FVTPL	38	766	10,302
Profit on saving accounts and TDRs		48	84
Exchange gain - net	38	280,408	383,847
Duty drawback of previous years recovered during the year	38	-	79,463
Rental income	38	2,700	2,640
Scrap sales	38	11,337	28,534
Gain on disposal of operating fixed assets - net	38	1,468	9,915
Gain on disposal of non-current asset held for sale	38	112	-
Non-compliant			
Dividend income on investments at FVTPL		284	274
Unrealized gain on remeasurement of investments at FVTPL		1,492	-
Profit on saving accounts and TDRs		66,489	73,494
Unrealised exchange gain on forward contracts		360,559	-

Notes to the Financial Statements

For the Year ended 30 June 2026

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Bank Name	Relationship
Meezan Bank Limited	Bank balances, long term financing and short term borrowings
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
BankIslami Pakistan Limited	Bank balance and short term borrowings
First Habib Modaraba	Long term financing
Al Baraka Bank (Pakistan) Limited	Bank balance and short term borrowings
United Bank Limited	Bank balance and short term borrowings
Habib Metropolitan Bank Limited	Bank balance and short term borrowings
The Bank of Khyber	Bank balance and short term borrowings

54. NON ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 07 September 2026 has proposed a cash dividend for the year ended 30 June 2026 of Rupees 2 per share to ordinary shareholders (2025: Rupees 2 per share except directors, Chief Executive Officer and their spouses). However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

55. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on September 07, 2026.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / or reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification have been made except as detailed below for the purpose of better presentation and understanding:

Reclassified from	Reclassified to	2025
		(RUPEES IN THOUSAND)
Trade and other payables	Contract liabilities	362,570
Trade and other payables: Creditors	Trade and other payables: Sindh Infrastructure cess payable	580,226
Capital reserves	Other capital reserves	350,540
Other income- Reversal of allowance for expected credit losses	Other expenses- Allowance for expected credit losses- net	279

57. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Faiq Jawed	Shaiq Jawed	Khawaja Nadeem Abbas
Chief Executive Officer	Director	Chief Financial Officer

Pattern of Shareholding

As on June 30, 2026

No. of Share Holders	Share Holding From	Share Holding To	Total Shares Held
153	1	100	2,889
69	101	500	17,783
33	501	1,000	25,756
50	1,001	5,000	118,774
11	5,001	10,000	74,066
4	10,001	15,000	48,991
2	20,001	25,000	43,955
1	40,001	45,000	43,619
1	45,001	50,000	46,188
1	60,001	65,000	64,974
1	225,001	230,000	225,094
1	250,001	255,000	252,453
2	500,001	505,000	1,008,000
1	960,001	965,000	961,686
1	1,055,001	1,060,000	1,057,298
1	1,060,001	1,065,000	1,061,256
1	1,085,001	1,090,000	1,086,564
1	1,240,001	1,245,000	1,241,005
1	1,265,001	1,270,000	1,266,022
1	11,040,001	11,045,000	11,041,733
1	11,805,001	11,810,000	11,806,963
1	11,845,001	11,850,000	11,846,578
1	29,285,001	29,290,000	29,285,051
1	29,690,001	29,695,000	29,690,804
340			102,317,502

Shareholders' Category	No. of Share Holders/Folios	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their spouse :			
-Directors and Spouse	10	55,507,885	54.2506
-Chief Executive Officer	3	32,197,831	31.4685
Banks, Development Financial Institutions, Non Banking Financial Institutions	3	3,666	0.0036
Insurance Companies	2	7,644	0.0075
Modarbas	1	4,557	0.0045
General Public:			
a. Local	313	14,541,596	14.2122
b. Foreign	-	-	-
Other	8	54,323	0.0531
Total	340	102,317,502	100.0000

Shareholders More Than 10%		
Mr. Faiq Jawed	32,197,831	31.47
Mr. Shaiq Jawed	30,246,737	29.56
Mrs. Farhat Jehan	12,099,031	11.82
Mrs. Sadaf Aamir Arshad	12,099,031	11.82
Mrs. Sadia Irfan	12,099,031	11.82

Change in shareholding of Directors are as under:		
Mr. Faiq Jawed	Gift Out	2,548,065
Mr. Faiq Jawed	Inheritance	9,941,282
Mr. Shaiq Jawed	Gift In	863,838
Mr. Shaiq Jawed	Inheritance	9,941,282
Mrs. Farhat Jehan	Gift Out	5,398,696
Mrs. Farhat Jehan	Inheritance	4,260,551
Mrs. Sadaf Aamir Arshad	Gift In	3,537,602
Mrs. Sadaf Aamir Arshad	Inheritance	4,970,641

GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO.10 DATED 17 APRIL 2025

Following is gender pay gap calculated for the year ended June 30, 2026:

I.	Mean Gender Pay Gap	Nil
II.	Median Gender Pay Gap	Nil

Faiq Jawed
Chief Executive Officer
September 07, 2026

Form of Proxy

40th Annual General Meeting

I/We, ________________________________of_______________, holding Computerized National Identity Card (CNIC)/Passport No.___________ and being a member of J.K. Spinning Mills Limited, hereby appoint__________________ of __________, holding CNIC/Passport No.________________________, or failing him/her hereby appoint ___________ of_________, holding CNIC/Passport No.___________________, as my/our proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on the 07th day of October, 2026 and at any adjournment thereof.

At witness my/our hand /seal this _______________________ day of _______________________ 2026.

Witnesses:

1. Signature _________________________

   Name ____________________________

   Address __________________________

   CNIC/Passport No. ___________________

2. Signature__________________________

   Name ____________________________

   Address __________________________

   CNIC/Passport No. ___________________

Folio No./CDC Account No.

Revenue Stamps of Rs 50/-

To be signed by the above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Head Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy need not to be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

چالیسواں سالانہ اجلاس عام

میں / ہم ____________ ساکن ________________ حامل کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _______________________________ اور

بطور رکن جے کے سپننگ ملز لمیٹڈ __________________ حامل کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _______________________ یا اس کی عدم موجودگی

میں ______________________ حامل(CNIC)یا پاسپورٹ نمبر ______ ___________ کو مورخہ 07 اکتوبر 2026 کو منعقد ہونے والے چالیسواں سالانہ

اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لئے میری / ہماری جانب سے ووٹ ڈالنے کے لئے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں / کرتے ہیں

گواہان کی موجودگی میں میرے / ہمارے دستخط / مہر بروز __________________ 2026 ثبت کیے گئے / کی گئی

گواہان

دستخط ____

1. نام ____

پتہ ____

کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _________________________________

دستخط ____

2. نام ____

پتہ ____

کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _________________________________

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر

پچاس روپے کا ریونیو اسٹمپ

حصص یافتہ کے دستخط

نوٹس

1. یہ پراکسی فارم مکمل اور دستخط شدہ کمپنی کے ہیڈآفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے ۔ پراکسی کا ممبر ہونا لازمی نہیں.
2. پراکسی فارم پر دو گواہان کے نام ، پتے اور شناختی کارڈ نمبر درج ہونے چاہیئں
3. پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے شناختی کارڈ کی تصدیق شدہ نقول جمع کی جائیں گی
4. اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا
5. کارپوریٹ ادارے کی صورت میں ، ادارے کے بورڈ وف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہو گی

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