HAMID TEXTILE MILLS LIMITED

2026 ANNUAL REPORT

MILLS:
Wan Adhan, Pattoki, Distt. Kasur
Web: www.hamid-textile.com

UKAS QUALITY MANAGEMENT
Registration Number 005

SYSTEM CERTIFICATION ISO 9001:2000 SGS

Certificate No. SG05/0299

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COMPANY INFORMATION

CHAIRMAN	Mrs. Khushbu Ammad
CHIEF EXECUTIVE	Mr. Khawar Almas Khawaja
DIRECTORS	Mr. Khawar Almas Khawaja Mrs. Khushbu Ammad Mrs. Nighat Khawar Mrs. Momina Khawar Ali Mr. Muhammad Alamgir Mr. Muhammad Mushtaq Mr. Tahir Ghafoor Khan
AUDIT COMMITTEE	
Chairman	Mr. Muhammad Mushtaq
Member	Mrs. Khushbu Ammad
Member	Mr. Tahir Ghafoor Khan
HR AND REMUNERATION COMMITTEE	
Chairman	Mr. Muhammad Mushtaq
Member	Mr. Momina Khawar Ali
Member	Mr. Muhammad Alamgir
COMPANY SECRETARY	Mr. Ralph Nazir Ullah
CHIEF FINANCIAL OFFICER	Mr. Tauqeer Hussain
LEGAL ADVISOR	Mr. Sajjad Haider Tanvir Ali Shah (Bukhari Law Chamber)
AUDITORS	Tabussum Saleem & Co Chartered Accountants Lahore
INTERNAL AUDITORS	Awan & Co (Chartered Accountants), Lahore
SHARES REGISTRAR	Corplink (Pvt) Ltd Lahore
BANKERS	National Bank of Pakistan Bank Alfalah Limited Meezan Bank Limited Habib Metropolitan Bank Ltd United Bank Limited
REGISTERED OFFICE	142, Block - D Model Town, Lahore
MILLS	Changa Manga Road, Wan Adhan Pattoki, Kasur
TELEFAX	049-4528188
TELEPHONE	049-4528177, 049-4528099
EMAIL	accounts@hamid-textile.com , sales@hamid-textile.com corporate@hamid-textile.com

VISION

To be one of the leaders in textile sector by producing quality products according to Customer's specification.

MISSION

- Our mission is to continuously improve our products and serve our customers.
- Provide quality products and services to our customers mainly engaged in the manufacturing of textile products and made-ups.
- Keeping pace with the rapidly changing technology by continuous balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Provide a professional open and participation environment to our dedicated employees for developing their potential and team performance.
- Protecting the environment and contribution towards the economic strength of the country and function as a good corporate citizen.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of **Hamid Textile Mills Limited** will be held on Friday, October 16, 2026 at 11:00 A.M at Registered Office, 142-, Block-D, Model Town Lahore, to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the Minutes of 38th Annual General Meeting of the shareholders held on Saturday, October 25, 2025.
2. To receive, consider, and adopt the company's Audited financial statements for the year ended June 30, 2026, together with Chairman Review, Directors, and Auditor's report thereon.

   To circulation of Financials Statements in accordance with section 223 of the Companies Act, 2017 and pursuant to the S.R.O 389(1)/2023 dated March 21, 2023 issued by Securities and Exchange Commission of Pakistan (SECP), to circulate the financial statements of the company to its members through the weblink and QR enabled code.

https://hamid-textile.com/financial-year-2026/

1. To appoint statutory auditors and fix their remuneration for the year ending June 30, 2027. The present auditors, **M/S Tabussum Saleem & Co., Chartered Accountants, Lahore**, retire and being eligible, offer themselves for re-appointment.
2. To transact any other business with the permission of the Chairman.

By Order of the Board

Ralph Nazir Ullah
Company Secretary

Lahore
September 25, 2026

Notes:

1. The share transfer books of the Company will remain closed from October 14, 2026 to October 17, 2026 (both days inclusive).
2. All shareholder of the company shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting, in case of corporate entity, the Board of Directors resolution/power of attorney with specimen signatures of the representative shall be produced at the time of meeting.
3. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote in at the meeting. A member shall not be entitled to appoint more than one proxy. If a member appoint more than one proxy and more than one form of proxies are submitted by member with company, all such form of proxies shall be rendered invalid. Proxy must be a member of the company. Duly signed instrument of proxy must be received at company's registered office at least 48 hours before the time of meeting. Proxy shall provide his/her original CNIC or passport. Attested copies of CNIC or passport of beneficial owners and of the proxy shall be furnished with proxy form. proxy form is attached in the last portion of this annual report and also available on company's website.
4. As per section 132(2) of the Companies Act, 2017, The company will provide the video link facility to those member(s) who hold minimum 10% of shareholding of the total paid-up capital and resident of city other than city, where company's Annual General Meeting is to be placed, upon request, such member(s) should submit request in writing to the company at least seven days before the date of meeting.
5. Pursuant to circular 4 of 2021 issued by SECP, shareholders who wish to participate virtually in the AGM are requested to share information through courier at company's registered office address at least seven days prior to the date of the meeting.

Name of shareholder	CNIC Number	Folio/CDC Account Number	Registered email address	Cell Number

6. Transmission of Audited Financial Statements / Notices through email pursuant to the provisions of section 223(6) of the Companies Act, 2017. All the listed companies are permitted to circulate audited financial statements or notices through email after obtaining prior written consent of its members. The member who intended to receive the audited accounts through emails are therefore, requested to kindly send their written consent along with a valid email address on

   a standard request form available at website of the company at www.hamid-textile.com.

   The Annual financial statements have been placed at website of the company at www.hamid-textile.com however, (The company send hard copies as well to all members) the company shall send printed copy of its financial statements to the desirous member within a week of such request without any cost.
7. Pursuant to Companies (Postal Ballot) Regulations 2018, for any other agenda item subject to the requirements of the sections 143 and 144 of the act, members

   present in person, through video link or by proxy, and having not less than one-tenth of the total voting power can also demand a poll and exercise their right of vote through Postal Ballot that is voting by post or through any electronic mode,

in accordance with the requirements and procedure contained in the aforesaid regulations.

8. As earlier requested, Members are again advised:
   a) To provide copies of their valid CNICs if not provided earlier to update the member's register.
   b) To notify the change of address immediately, if any

Chairman's Review

It is with great pride and satisfaction that I present the Chairman's Review for this year's Annual Report, in compliance with Section 192 of the Companies Act, 2017.

In accordance with the requirements of the Code of Corporate Governance, an annual evaluation of the Board of Directors of Hamid Textile Mills Limited was carried out. The purpose of this evaluation is to measure the Board's overall performance and effectiveness against the objectives set for the Company, benchmarked against best governance practices.

The Board recognizes the critical importance of strong corporate governance in ensuring accountability and transparency, and remains committed to upholding the highest standards to enhance stakeholder value. The Company's governance framework is aligned with applicable laws and regulations, with clearly defined roles and responsibilities for the Board and its Committees. During the year, the Board also identified certain areas requiring improvement in regulatory compliance and has directed management to take timely corrective measures to ensure continued alignment with the regulatory framework.

During the financial year 2025–2026, the Board held five meetings, while the Audit Committee convened four meetings. In line with established practice, the Board closely monitored its own performance as well as that of its sub-committees, thereby reinforcing accountability, efficiency, and transparency across the organization.

Deliberations at Board meetings during the year were comprehensive and productive, resulting in constructive, forward-looking decisions in the best interest of the Company. The Board continues to ensure that all policies remain aligned with the Company's mission and vision, while maintaining compliance with applicable laws, regulations, and industry best practices.

All Directors are well conversant with their duties and responsibilities under the Code of Corporate Governance and the Companies Act, 2017. The Board remains firmly committed to strengthening governance practices, ensuring effective oversight, and creating sustainable value for all stakeholders.

On behalf of the Board, I would like to express my gratitude to our shareholders, customers, business partners, and employees for their continued trust and support.

Mrs. Khushbu Ammad
Chairman

Dated September 25, 2026

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of your Company takes pleasure in presenting before you the performance review, together with the 39th Annual Report of the Company for the year ended June 30, 2026, along with the auditors' report thereon.

OVERVIEW

The principal business of your Company is the manufacturing and sale of yarn and greige fabric, with manufacturing facilities situated at central region of Punjab.

The year under review remained challenging for the spinning and weaving sectors of the textile industry. Revenue for the year was Rs. 910.090 million, compared with Rs. 960.746 million in the preceding year, a decline of 5.27%, reflecting continued pressure from high energy tariffs, elevated financing costs and competition from imported yarn. Despite the lower topline, the Company continued to manage its resources prudently and, notwithstanding the loss for the year, generated positive cash flow from operations and avoided a cash loss during the period.

PERFORMANCE OF THE COMPANY

The salient features of the Company's operating performance for the year under review are summarized below:

	2026	2025
	Rupees	Rupees
Sales – net	910,090,469	960,746,184
Gross profit	26,388,804	33,158,434
Operating loss	(21,762,760)	(11,770,399)
Finance cost	(7,508,902)	(6,245,320)
Loss before levy and taxation	**(29,271,662)**	**(18,015,719)**
Levy	(8,774,336)	(12,009,327)
Loss before taxation	**(38,045,998)**	**(30,025,046)**
Taxation (Income) / Expense	11,660,378	(10,193,208)
Loss after taxation	**(26,385,620)**	**(40,218,254)**
Loss per share - basic (Rupees)	**(1.99)**	**(3.03)**

Revenue decreased by 5.27% as compared with the preceding year. Gross profit declined to Rs. 26.389 million from Rs. 33.158 million, a decrease of 20.42%, with the gross margin narrowing to 2.90% from 3.45%, mainly on account of the escalating cost of energy and other conversion costs, partly offset by continued focus on procurement efficiency and product mix. Administrative expenses increased by 7.47% to Rs. 46.352 million (2025: Rs. 43.129 million), while selling and distribution expenses remained unchanged at Rs. 1.800 million. As a result, the operating loss increased to Rs. 21.763 million from Rs. 11.770 million in the preceding year.

Finance cost increased by 20.23% to Rs. 7.509 million (2025: Rs. 6.245 million), reflecting the cost of unsecured borrowings arranged to support working capital in the absence of renewed banking facilities. Consequently, the loss before levy and taxation increased to Rs. 29.272 million (2025: Rs. 18.016 million).

The reported loss includes a non-cash depreciation charge of Rs. 37.113 million (2025: Rs. 38.174 million). Notwithstanding the loss for the year, the Company generated net cash from operating activities of Rs. 18.852 million (2025: Rs. 20.192 million) and did not sustain a cash loss during the year, reflecting the underlying operational resilience of the business despite the challenging external environment.

ECONOMIC AND INDUSTRIAL OVERVIEW

The global economy navigated an environment of uneven growth and heightened volatility during the fiscal year. Regional conflicts continued to disrupt supply chains and contributed to volatility in energy prices, freight, and insurance costs. Elevated interest rates, trade policy uncertainties, and protectionist measures also continued to weigh on global economic activity and consumer demand.

In Pakistan, FY 2025-26 witnessed continued macroeconomic stabilization under the IMF-supported reform program despite a challenging external environment. Relative stability in the exchange rate, improvement in foreign exchange reserves, moderation in inflationary pressures, and greater fiscal discipline provided a more stable operating environment for businesses. However, heightened geopolitical tensions during the latter part of the year affected regional trade and resulted in increased fuel, freight, and insurance costs.

These developments had a direct impact on the textile sector, particularly through fluctuations in raw-material prices, energy and utility costs, financing costs, and logistics expenses. At the same time, subdued international demand and competitive pressures in export markets continued to affect margins across the textile value chain.

The management remained focused on maintaining operational efficiency, optimizing energy consumption, controlling production costs, improving productivity, and ensuring effective utilization of available resources. The Company also continued to monitor developments in domestic and international markets closely and remains focused on maintaining product quality and competitiveness.

Going forward, the Company expects the operating environment to remain challenging, with global demand, energy prices, exchange-rate movements, interest rates, raw-material costs, and geopolitical developments remaining key factors affecting the textile industry. Management will continue to take appropriate measures to manage these risks while focusing on operational efficiency, cost optimization, sustainable business practices, and strengthening the Company's competitive position.

FUTURE OUTLOOK

Sustainable longterm growth for the textile sector, and for the Company, will depend on continued macroeconomic stability, a predictable and competitive energy tariff regime, and resolution of trade-related pressures in export markets. Your Company will continue to focus on operational efficiency, prudent working capital management, optimal capacity utilization and refinement of its product mix in response to shifting market dynamics.

The Company continues to work towards expanding its renewable energy (solar) capacity at the manufacturing facility, which is expected to reduce energy costs over time and strengthen operating cash flows. Management remains engaged in efforts to restructure and settle the Company's long-standing dispute over banking facilities and remains hopeful that a resolution can be achieved, which would restore the Company's access to formal banking facilities and support capacity enhancement.

AUDITORS' REPORT QUALIFICATION - GOING CONCERN

The statutory auditors have expressed an adverse opinion on the Company's financial statements for the year ended June 30, 2026, on the sole ground that, in their assessment, the financial statements should not have been prepared on a going concern basis, in view of the matters described in Note 3.2 to the financial statements. This qualification has been consistently issued by successive auditors since financial year 2013 and arises principally from the Company's long-standing, unresolved dispute over financing facilities, currently pending adjudication before the Honourable Lahore High Court.

As disclosed in Note 3.2, the Company incurred a loss before levy and taxation of Rs. 29.271 million (2025: Rs. 18.016 million) for the year ended, as at June 30, 2026, carried accumulated losses of Rs. 265.377 million (2025: Rs. 260.392 million), resulting in a net capital deficiency, before revaluation surplus, of Rs. 132.661 million (2025: Rs. 127.676 million). Current liabilities exceeded current assets by Rs. 63.776 million (2025: Rs. 58.328 million), and the Company's banking facilities remain expired and unrenewed pending resolution of the litigation, which continues to constrain working capital.

The Directors, in agreement with the assessment of management, consider that the going concern basis of preparation remains appropriate, for the following reasons:

- Total assets of the Company exceeded total liabilities by Rs. 379.107 million (2025: Rs. 438.037 million) as at June 30, 2026, reflecting a positive net asset position;
- Property, plant and equipment carried a value of Rs. 494.093 million (2025: Rs. 543.778 million) as at the year end, against which the Company's aggregate overdue exposure on secured borrowings, overdue secured long-term loans and related accrued markup amounted to approximately Rs. 105.201 million (2025: Rs. 105.435 million), equivalent to only around 21% of the carrying value of fixed assets, indicating that the Company holds adequate underlying resources to meet this obligation;
- Despite the loss for the year, which includes a non-cash depreciation charge of Rs. 37.113 million (2025: Rs. 38.174 million), the Company generated positive net cash from operating activities of Rs. 18.852 million (2025: Rs. 20.192 million) and did not sustain a cash loss during the year;
- The Company remained fully operational throughout the year and continues to meet its non-banking obligations as they fall due; and
- Management continues to pursue restructuring and settlement of the outstanding litigation, has arranged alternative non-banking funding, including a long-term unsecured loan of Rs. 45 million, to support working capital, and is progressing plans to expand renewable energy capacity to strengthen future cash flows.

Accordingly, the Directors are of the view that the use of the going concern basis in preparing the financial statements is appropriate. Nonetheless, as disclosed in Note 3.2 and noted by the auditors, a material uncertainty exists in relation to the matters described above which may cast significant doubt on the Company's ability to continue as a going concern, and members are referred to that note for a full understanding of the matter.

CODE OF CORPORATE GOVERNANCE

As required under the Code of Corporate Governance, the Directors are pleased to report that:

a) The financial statements, prepared by management, fairly present the Company's state of affairs, the results of its operations, cash flows and changes in equity.

b) Proper books of account have been maintained by the Company.

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

d) International Accounting Standards (IAS/IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed.

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

f) There are significant doubts upon the Company's ability to continue as a going concern; however, as explained under "Auditors' Report Qualification - Going Concern" above and in Note 3.2 to the financial statements, the Directors consider that the Company has sound potential to continue as a going concern.

g) There has been no material departure from the best practices of the Code of Corporate Governance, as set out in the listing regulations, other than as disclosed in the Statement of Compliance.

h) A Statement of Ethics and Business Strategy has been prepared and circulated among the directors and employees.

i) The Company has sustained a loss during the year and has therefore not declared any dividend or bonus for the year.

j) There are no statutory payments on account of taxes, duties, levies and charges outstanding, except as disclosed in the financial statements.

k) No trading in the shares of Hamid Textile Mills Limited was carried out by its directors, CEO, CFO, Company Secretary or their spouses and minor children during the year.

l) Key operating and financial ratios of the Company for the last six years are annexed to this report.

m) The Company operates an unfunded gratuity scheme for its employees.

n) no casual vacancies, if any, occurring on the Board during the financial year ended June 30, 2026.

o) Two directors have completed directors training programme from authorized institutions and three directors have prescribed qualification and experience pursuant to regulation 19. Further, remaining two directors of the Company are planning to take training programme.

p) The Company remained non-compliant with one provision of the Code of Corporate Governance during the year, as will be disclose in the Statement of Compliance, i.e. The executive directors, including the Chief Executive Officer, shall not be more than one-third of the Board. During the year, the number of executive directors exceeded one-third of the total Board. The Board is committed to addressing the matter in accordance with the applicable legal and regulatory requirements and, upon obtaining appropriate guidance from the Securities and Exchange Commission of Pakistan (SECP), is considering the appointment of a Non-Executive Director through the transfer of the requisite qualifying shares to a nominee.

q) Five Board meetings held during the year ended June 30, 2026, and attendance by each Director

Name of Director	Meetings Attended
Mr. Khawar Almas Khawaja	05
Mrs. Khushbu Ammad	05
Mrs. Nighat Khawar	05
Mrs. Momina Khawar Ali	05
Mr. Muhammad Alamgir	05
Mr. Abid Hussain	01
Mr. Muhammad Amin	01
Mr. Muhammad Mushtaq	03
Mr. Tahir Ghafoor Khan	03

AUDIT COMMITTEE

The Audit committee comprising of the following members, attendance of each members is as under.

Name of Member	Attendance	Leave
Mr. Muhammad Mushtaq- Chairman Independent Director	4	-
Mrs. Khushbu Ammad -Member Non-Executive Director	4	-
Mr. Tahir Ghafoor Khan -Member Independent Director	4	-

HR AND REMUNERATION COMMITTEE

The HR and Remuneration committee comprising of the following members, attendance of each members is as under.

Name of Member	Attendance	Leave
Mr. Muhammad Mushtaq - Chairman Independent Director	1	-
Mrs. Momina Khawar Ali - Member Non-Executive Director	1	-
Mr. Muhammad Alamgir - Member Executive Director	1	-

NOMINATION COMMITTEE

The Nomination committee comprising of the following members, attendance of each members is as under.

Name of Member	Attendance	Leave
Mrs. Khushbu Ammad - Chairman Non-Executive Director	1	-
Mr. Khawar Almas Khawaja - Member Executive Director	1	-
Mr. Muhammad Alamgir -Member Executive Director	1	-

COMPOSITION OF THE BOARD

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

The total number of Directors as of June 30, 2026, is seven as per the following:

Total number of directors	7
Male	4
Female	3
Independent Directors	2
Non-executive Directors	2
Executive Directors	3

DIRECTORS' REMUNERATION

The remuneration of Board members is determined in accordance with the Companies Act, 2017 and the Code of Corporate Governance. The Company does not pay remuneration to non-executive directors, nor fees for attending meetings. Remuneration policies for executives and the Chief Executive are structured in line with prevailing industry trends and business practices, and details of the aggregate remuneration paid to executives and the Chief Executive during the year are disclosed in the relevant i.e. note 37 to the financial statements.

INTERNAL FINANCIAL CONTROLS

The Board of Directors has established an effective system of internal controls, designed to ensure the efficient and smooth running of the business, prevention and detection of fraud and error, safeguarding of the Company's assets, compliance with applicable laws and regulations, and the accuracy, completeness and timely preparation of reliable financial information. Internal financial controls are periodically reviewed to ensure they remain effective and are updated in line with amendments to applicable laws and regulations.

PRINCIPAL RISKS AND UNCERTAINTIES

Every business faces risks and uncertainties which, if not properly managed, could adversely affect its performance. The Board has carried out a review of the principal internal and external risks facing the Company, which include:

- Limited investment in research and development, automation and emerging technologies, which could erode competitiveness over time;
- Rapid technological advancement in textile machinery, making it more challenging to compete on a national and international level;
- Continued non-renewal of formal banking facilities pending resolution of ongoing litigation;
- Volatility in cotton and other raw material prices, which affects profit margins and complicates long-term planning; and
- Persistently high inflation, which reduces consumer purchasing power and demand for the Company's products.

PERSONNEL AND WORKING ENVIRONMENT

The Company recognizes the importance of a skilled and motivated workforce and continues to conduct in-house training programmes for this purpose. Equal attention is given to workplace health, safety and the overall working environment.

SUSTAINABILITY-RELATED RISKS

Sustainability-related risks involve consideration of environmental, social and governance (ESG) factors. The Company aims to contribute to a sustainable future through responsible operational practices, adoption of renewable energy and green initiatives, and has set measurable ESG targets aligned with its strategic objectives.

DIVERSITY, EQUITY AND INCLUSION (DE&I)

The Company is committed to fostering a diverse, equitable and inclusive workplace where every individual is valued, respected and empowered to thrive. The proportion of women in the factory workforce remains nil, primarily attributable to the rural location of the Company's mills, where cultural and social factors discourage female participation in male-dominated workplaces. Management continues to work towards creating a more inclusive environment and building a more diverse workforce over time, in alignment with evolving social norms and industry best practice. Female representation at the Board level, by contrast, stands at 42.86%.

GENDER PAY GAP STATEMENT

(As required under SECP Circular No. 10 of 2024)

i) Mean gender pay gap: Nil

ii) Median gender pay gap: Nil

iii) other detail:

At present, the proportion of women in the workforce is **nil**, which is primarily attributable to the rural location of our mills where cultural and social factors discourage female participation in male dominated workplaces.

AUDITORS

The present auditors, M/S Tabussum Saleem & Co, Chartered Accountants, Lahore, retired and being eligible, offer themselves for re-appointment as auditors for the next financial year ending June 30, 2027.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2026 is annexed to this report.

VOTE OF THANKS

The Directors wholeheartedly appreciate the unwavering dedication and hard work of the Company's workers and staff, and are confident that their contribution will continue to drive the Company's success going forward.

On behalf of Board

Khawar Almas Khawaja
(Chief Executive)

M. Alamgir
(Director)

Date: September 25, 2026

اراکین کے نام ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز خوشی کے ساتھ 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی کا جائزہ، کمپنی کی 39 ویں سالانہ رپورٹ اور اس پر آڈیٹرز کی رپورٹ آپ کے سامنے پیش کرتا ہے۔

مجموعی جائزہ

آپ کی کمپنی کا بنیادی کاروبار دھاگے اور خام کپڑے کی تیاری اور فروخت ہے، جبکہ اس کی پیداواری تنصیبات پنجاب کے وسطی علاقے میں واقع ہیں۔

زیرِ جائزہ سال ٹیکسٹائل صنعت کے اسپننگ اور ویونگ شعبوں کے لیے بدستور مشکل رہا۔ سال کے دوران کمپنی کی آمدنی 910.090 ملین روپے رہی، جبکہ گزشتہ سال یہ 960.746 ملین روپے تھی؛ یوں 5.27 فیصد کمی واقع ہوئی۔ یہ کمی توانائی کے بلند نرخوں، زیادہ مالیاتی اخراجات اور درآمدی دھاگے سے مسابقت کے مسلسل دباؤ کی عکاسی کرتی ہے۔ آمدنی میں کمی کے باوجود کمپنی نے اپنے وسائل کا محتاط انتظام جاری رکھا اور سال کے خسارے کے باوجود آپریٹنگ سرگرمیوں سے مثبت نقد بہاؤ پیدا کیا اور اس مدت میں نقد خسارے سے محفوظ رہی۔

کمپنی کی کارکردگی

زیرِ جائزہ سال کے دوران کمپنی کی آپریٹنگ کارکردگی کی نمایاں خصوصیات درج ذیل ہیں:

تفصیل	2026	2025
	روپے	روپے
خالص فروخت	910,090,469	960,746,184
مجموعی منافع	26,388,804	33,158,434
آپریٹنگ خسارہ	(21,762,760)	(11,770,399)
مالیاتی لاگت	(7,508,902)	(6,245,320)
لیوی اور ٹیکس سے قبل خسارہ	(29,271,662)	(18,015,719)
لیوی	(8,774,336)	(12,009,327)
ٹیکس سے قبل خسارہ	(38,045,998)	(30,025,046)
ٹیکس (آمدنی)/خرچ	11,660,378	(10,193,208)
ٹیکس کے بعد خسارہ	(26,385,620)	(40,218,254)
فی حصص بنیادی خسارہ (روپے)	(1.99)	(3.03)

گزشتہ سال کے مقابلے میں کمپنی کی آمدنی میں 5.27 فیصد کمی واقع ہوئی۔ مجموعی منافع 33.158 ملین روپے سے کم ہو کر 26.389 ملین روپے رہ گیا، جو 20.42 فیصد کمی کو ظاہر کرتا ہے۔ اسی طرح مجموعی منافع کا مارجن 3.45 فیصد سے کم ہو کر 2.90 فیصد رہ گیا اس کی بنیادی وجہ توانائی اور دیگر تبدیلئ پیداوار کے اخراجات میں اضافہ تھا، جس کے اثر کو خریداری کی کارکردگی اور مصنوعات کے امتزاج پر مسلسل توجہ نے جزوی طور پر کم کیا۔ انتظامی اخراجات میں 7.47 فیصد اضافہ ہوا اور یہ 46.35 ملین روپے تک پہنچ گئے، جبکہ گزشتہ سال یہ 43.129 ملین روپے تھے۔ جبکہ فروخت اور تقسیم کے اخراجات 1.800 ملین روپے پر برقرار رہے۔ نتیجتاً کمپنی کا آپریٹنگ خسارہ گزشتہ سال کے 11.770 ملین روپے کے مقابلے میں بڑھ کر 21.763 ملین روپے ہو گیا۔

مالیاتی اخراجات میں 20.23 فیصد اضافہ ہوا اور یہ 7.509 ملین روپے تک پہنچ گئے، جبکہ گزشتہ سال یہ 6.245 ملین روپے تھے۔ اس اضافے کی بنیادی وجہ بینکاری سہولیات کی تجدید نہ ہونے کی صورت میں ورکنگ کیپیٹل کی ضروریات پوری کرنے کے لیے حاصل کیے گئے غیر محفوظ قرضوں کی لاگت تھی۔ نتیجتاً، لیوی اور ٹیکس سے قبل خسارہ گزشتہ سال کے 18.016 ملین روپے کے مقابلے میں بڑھ کر 29.272 ملین روپے ہو گیا۔

رپورٹ شدہ خسارے میں 37.113 ملین روپے کا غیر نقد فرسودگی خرچ شامل ہے جبکہ گزشتہ سال یہ 38.174 ملین روپے تھے۔ سال کے خسارے کے باوجود کمپنی نے آپریٹنگ سرگرمیوں سے 18.852 ملین روپے کا خالص مثبت نقد بہاؤ پیدا کیا جبکہ گزشتہ سال یہ 20.192 ملین روپے تھا اور سال کے دوران نقد خسارہ برداشت نہیں کیا۔ یہ امر مشکل بیرونی ماحول کے باوجود کاروبار کی بنیادی آپریشنل لچک کو ظاہر کرتا ہے۔

معاشی اور صنعتی صورتحال کا جائزہ

مالی سال کے دوران عالمی معیشت کو غیر مساوی معاشی ترقی اور بڑھتی ہوئی غیر یقینی صورتحال کا سامنا رہا۔ علاقائی تنازعات سے سپلائی چین میں خلل جاری رہا اور توانائی کی قیمتوں، مال برداری اور بیمہ اخراجات میں اتار چڑھاؤ پیدا ہوا۔ بلند شرح سود، تجارتی پالیسی سے متعلق غیر یقینی صورتِ حال اور تحفظ پسندانہ اقدامات بھی عالمی اقتصادی سرگرمی اور صارفین کی طلب پر دباؤ برقرار رکھا۔

پاکستان میں مالی سال 2025-2026ء کے دوران مشکل بیرونی ماحول کے باوجود آئی ایم ایف کے تعاون سے جاری اصلاحاتی پروگرام کے تحت میکرو اکنامک استحکام کا عمل جاری رہا۔ شرح مبادلہ میں نسبتاً استحکام، زرِ مبادلہ کے ذخائر میں بہتری، افراطِ زر کے دباؤ میں کمی اور بہتر مالی نظم و ضبط نے کاروبار کے لیے نسبتاً مستحکم آپریٹنگ ماحول فراہم کیا۔ تاہم، سال کے آخری حصے میں بڑھتی ہوئی جغرافیائی سیاسی

کشیدگی نے علاقائی تجارت کو متاثر کیا اور ایندھن، مال برداری اور بیمہ اخراجات میں اضافہ ہوا۔

ان پیش رفتوں نے ٹیکسٹائل شعبے پر براہِ راست اثر ڈالا، خصوصاً خام مال کی قیمتوں، توانائی اور یوٹیلیٹی اخراجات، مالیاتی لاگت اور لاجسٹکس کے اخراجات میں اتار چڑھاؤ کے ذریعے۔ اسی دوران کمزور بین الاقوامی طلب اور برآمدی منڈیوں میں مسابقتی دباؤ ٹیکسٹائل ویلیو چین میں منافع کے مارجن کو متاثر کرتے رہے۔

اس صورتحال کے پیشِ نظر، انتظامیہ نے آپریشنل کارکردگی برقرار رکھنے، توانائی کے استعمال کو بہتر بنانے، پیداواری اخراجات پر قابو پانے، پیداواری صلاحیت میں بہتری اور دستیاب وسائل کے مؤثر استعمال پر اپنی توجہ مرکوز رکھی۔ کمپنی نے ملکی اور بین الاقوامی منڈیوں میں ہونے والی پیش رفت کی بھی مسلسل نگرانی جاری رکھی اور مصنوعات کے معیار اور مسابقتی صلاحیت کو برقرار رکھنے پر توجہ مرکوز رکھی۔

آئندہ بھی کمپنی کو توقع ہے کہ کاروباری ماحول مشکل رہ سکتا ہے، جبکہ عالمی طلب، توانائی کی قیمتیں، شرحِ مبادلہ میں تبدیلی شرح سود، خام مال کی لاگت اور جغرافیائی سیاسی حالات ٹیکسٹائل صنعت کو متاثر کرنے والے اہم عوامل رہیں گے۔ انتظامیہ ان خطرات سے نمٹنے کے لیے مناسب اقدامات جاری رکھے گی اور آپریشنل کارکردگی، اخراجات میں بہتری، پائیدار کاروباری طریقہ کار اور کمپنی کی مسابقتی پوزیشن کو مزید مضبوط بنانے پر توجہ مرکوز رکھے گی

مستقبل کا جائزہ

ٹیکسٹائل شعبے اور کمپنی کی پائیدار طویل مدتی نمو کا انحصار مسلسل میکرو اکنامک استحکام، قابلِ پیش گوئی اور مسابقتی توانائی ٹیرف، اور برآمدی منڈیوں میں تجارت سے متعلق دباؤ کے حل پر ہوگا۔ آپ کی کمپنی بدلتی ہوئی منڈی کی صورتِ حال کے مطابق آپریشنل کارکردگی، محتاط ورکنگ کیپیٹل مینجمنٹ، پیداواری صلاحیت کے بہترین استعمال اور مصنوعات کے امتزاج میں بہتری پر توجہ جاری رکھے گی۔

کمپنی پیداواری تنصیب میں اپنی قابلِ تجدید توانائی (شمسی توانائی) کی استعداد بڑھانے کے لیے کام جاری رکھے ہوئے ہے، جس سے وقت کے ساتھ توانائی کی لاگت کم اور آپریٹنگ نقد بہاؤ مضبوط ہونے کی توقع ہے۔ انتظامیہ بینکاری سہولیات سے متعلق کمپنی کے دیرینہ تنازعے کی تنظیمِ نو اور تصفیے کے لیے کوشاں ہے اور پُرامید ہے کہ حل ممکن ہوگا، جس سے رسمی بینکاری سہولیات تک کمپنی کی رسائی بحال ہوگی اور پیداواری استعداد میں اضافے کو معاونت ملے گی۔

آڈیٹرز کی رپورٹ میں تحفظ — کاروبار جاری رکھنے کی صلاحیت

آڈیٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں پر منفی رائے ظاہر کی ہے۔ ان کی رائے کی واحد بنیاد یہ ہے کہ مالیاتی گوشواروں کے نوٹ 3.2 میں بیان کردہ امور کے پیشِ نظر، آڈیٹرز کی رائے کے مطابق مالی گوشوارے کاروبار جاری رکھنے (Going Concern) کی بنیاد پر تیار نہیں کیے جانے چاہییے تھے۔ یہ تحفظ مالی سال 2013 سے مسلسل یکے بعد دیگرے آڈیٹرز کی جانب سے جاری کیا جاتا رہا ہے اور اس کی بنیادی وجہ مالیاتی سہولیات سے متعلق کمپنی کا دیرینہ اور غیر حل شدہ تنازعہ ہے، جس کا مقدمہ اس وقت معزز لاہور ہائی کورٹ میں زیرِ سماعت ہے۔

جیسا کہ نوٹ 3.2 میں ظاہر کیا گیا ہے، کمپنی کو سال کے دوران لیوی اور ٹیکس سے قبل 29.271 ملین روپے کا خسارہ ہوا جبکہ گزشتہ سال یہ نقصان 18.016 ملین روپے تھا اور 30 جون 2026 تک اس کے جمع شدہ نقصانات 265.377 ملین روپے تھے جبکہ گزشتہ سال یہ نقصانات 260.392 ملین روپے تھے جس کے نتیجے میں ازسرِ نو قدر پیمائی (Revaluation Surplus) سے قبل خالص سرمائے (Net Capital Deficiency) کی کمی 132.661 ملین روپے رہی جبکہ 2025 میں یہ 127.676 ملین روپے تھی

جس کے نتیجے میں ازسرِ نو قدر پیمائی (Revaluation Surplus) سے قبل خالص سرمائے (Net Capital Deficiency) کی کمی 132.661 ملین روپے رہی جبکہ 2025 میں یہ 127.676 ملین روپے تھی۔ مزید برآں جاری واجبات، جاری اثاثوں سے 63.776 ملین روپے زیادہ تھے جبکہ 2025 میں یہ فرق 58.328 ملین روپے تھا۔ جبکہ قانونی تنازعے کے حل تک کمپنی کی بینکاری سہولیات کی مدت ختم ہو چکی ہے اور ان کی تجدید نہیں ہوئی، جس سے ورکنگ کیپیٹل بدستور محدود ہے۔

ڈائریکٹرز، انتظامیہ کے جائزے سے اتفاق کرتے ہوئے، درج ذیل وجوہات کی بنا پر مالیاتی گوشواروں کی تیاری کے لیے کاروبار جاری رکھنے کی بنیاد کو موزوں سمجھتے ہیں:

- 30 جون 2026 کو کمپنی کے کل اثاثہ جات کل واجبات سے 379.107 ملین روپے زیادہ تھے جبکہ 2025 میں یہ فرق 438.037 ملین روپے تھا، جو خالص اثاثوں کی مثبت حیثیت کو ظاہر کرتا ہے؛
- سال کے اختتام پر جائیداد، پلانٹ اور ساز و سامان کی قدر 494.093 ملین روپے تھی جبکہ 2025 میں یہ 543.778 ملین روپے تھی۔ اس کے مقابلے میں ضمانتی قرضوں، واجب الادا ضمانتی طویل مدتی قرضوں اور متعلقہ جمع شدہ مارک اَپ کے ضمن میں کمپنی کی مجموعی واجب الادا رقم تقریباً 105.201 ملین روپے تھی جبکہ 2025 میں یہ 105.435 ملین روپے تھی، جو مستقل اثاثوں کی دفتری قدر کے صرف تقریباً 21 فیصد کے برابر ہے۔ اس سے ظاہر ہوتا ہے کہ کمپنی کے پاس اس ذمہ داری کو پورا کرنے کے لیے مناسب بنیادی وسائل موجود ہیں؛
- سال کے خسارے، جس میں 37.113 ملین روپے کا غیر نقد فرسودگی (Depreciation) خرچ شامل ہے جبکہ 2025 میں 38.174 ملین روپے تھی، اس کے باوجود کمپنی نے آپریٹنگ سرگرمیوں سے 18.852 ملین روپے کا خالص مثبت نقد بہاؤ پیدا کیا جبکہ 2025 میں 20.192 ملین روپے تھا اور سال کے دوران نقد خسارہ برداشت نہیں کیا؛
- کمپنی پورے سال مکمل طور پر فعال رہی اور اپنے غیر بینکاری واجبات مقررہ وقت پر ادا کرتی رہی؛ اور
- انتظامیہ زیرِ التوا قانونی مقدمے کی ازسرِ نو ترتیب اور تصفیے کے لیے مسلسل کوششیں کر رہی ہے۔ کمپنی نے کاروباری سرمائے کی ضروریات پوری کرنے کے لیے متبادل غیر بینکاری مالی معاونت کا بھی انتظام کیا ہے، جس میں 45 ملین کا طویل مدتی غیر ضمانتی قرض شامل ہے۔ مزید برآں، مستقبل کے نقد بہاؤ کو مضبوط بنانے کے لیے قابلِ تجدید توانائی کی پیداواری صلاحیت میں اضافے کے منصوبوں پر بھی پیش رفت جاری ہے۔

چنانچہ ڈائریکٹرز کی رائے ہے کہ مالی بیانات کی تیاری میں کاروبار جاری رکھنے کی بنیاد کا استعمال مناسب ہے۔ تاہم، جیسا کہ نوٹ 3.2 میں ظاہر کیا گیا اور آڈیٹرز نے نشاندہی کی ہے، مذکورہ بالا امور سے متعلق ایک اہم غیر یقینی صورتِ حال موجود ہے جو کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر نمایاں شبہ پیدا کر سکتی ہے۔ معاملے کی مکمل تفہیم کے لیے اراکین کو مذکورہ نوٹ سے رجوع کرنے کی ہدایت کی جاتی ہے۔

کوڈ آف کارپوریٹ گورننس

کمپنی کی جانب سے 30 جون 2026 کو ختم ہونے والے سال کے لیے ایس ای سی پی کی جانب سے مقرر کردہ کوڈ آف کارپوریٹ گورننس کی تمام قابلِ اطلاق ضروریات کو اپنایا گیا ہے اور ان پر باقاعدگی سے عمل درآمد کیا گیا ہے۔ اس سلسلے میں ایک بیان ساتھ لف ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

30 جون 2026 کو ختم ہونے والے سال کے دوران بورڈ کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

	ڈائریکٹر کا نام	شرکت کردہ اجلاس
1	جناب خاور الماس خواجہ	05
2	محترمہ خوشبو عماد	05
3	محترمہ نگہت خاور	05
4	محترمہ مومنہ خاور علی	05
5	جناب محمد عالمگیر	05
6	جناب عابد حسین	01
7	جناب محمد امین	01
8	جناب محمد مشتاق	03
9	جناب طاہر غفور خان	03

آڈٹ کمیٹی

آڈٹ کمیٹی درج ذیل اراکین پر مشتمل ہے۔ ہر رکن کی حاضری درج ذیل ہے:

رکن کا نام	حاضری	رخصت
جناب محمد مشتاق — چیئرمین آزاد ڈائریکٹر	4	—
محترمہ خوشبو عماد — رکن نان ایگزیکٹو ڈائریکٹر	4	—
جناب طاہر غفور خان — رکن آزاد ڈائریکٹر	4	—

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی درج ذیل اراکین پر مشتمل ہے۔ ہر رکن کی حاضری درج ذیل ہے:

رکن کا نام	حاضری	رخصت
جناب محمد مشتاق — چیئرمین آزاد ڈائریکٹر	1	—
محترمہ مومنہ خاور علی — رکن نان ایگزیکٹو ڈائریکٹر	1	—
جناب محمد عالمگیر — رکن ایگزیکٹو ڈائریکٹر	1	—

نامزدگی کمیٹی

نامزدگی کمیٹی درج ذیل اراکین پر مشتمل ہے۔ ہر رکن کی حاضری درج ذیل ہے:

رکن کا نام	حاضری	رخصت
محترمہ خوشبو عماد — رکن نان ایگزیکٹو ڈائریکٹر	1	—
جناب خاور الماس خواجہ — رکن ایگزیکٹو ڈائریکٹر	1	—
جناب محمد عالمگیر — رکن ایگزیکٹو ڈائریکٹر	1	—

بورڈ کی تشکیل

لسٹڈ کمپنیز کے ضابطہ کار (کوڈ آف کارپوریٹ گورننس) کے ریگولیشنز، 2019 کے تقاضوں کے مطابق کمپنی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ صنفی تنوع بھی یقینی بناتی ہے۔

30جون2026 تک ڈائریکٹرز کی کل تعداد سات ہے،جس کی تفصیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد	7

مرد	4
خواتین	3
آزادڈائریکٹرز	2
نان ایگزیکٹوڈائریکٹرز	2
ایگزیکٹوڈائریکٹرز	3

ڈائریکٹرز کا معاوضہ

بورڈ کے اراکین کے معاوضے کا تعین کمپنیز ایکٹ، 2017 اور کارپوریٹ گورننس کے ضابطے کے مطابق کیا جاتا ہے۔کمپنی نان ایگزیکٹوڈائریکٹرز کو نہ معاوضہ دیتی ہے اور نہ اجلاسوں میں شرکت کی فیس ادا کرتی ہے۔ایگزیکٹوز اور چیف ایگزیکٹو کے لیے معاوضے کی پالیسیاں صنعت کے رائج رجحانات اور کاروباری طریقوں کے مطابق مرتب کی گئی ہیں،اور سال کے دوران ایگزیکٹوز اور چیف ایگزیکٹو کو ادا کیے گئے مجموعی معاوضے کی تفصیل مالی بیانات کے متعلقہ نوٹ 37 میں ظاہر کی گئی ہے۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز نے داخلی کنٹرولز کا ایک مؤثر نظام قائم کیا ہے، جو کاروبار کے مؤثر اور ہموار انتظام، دھوکہ دہی اور غلطی کی روک تھام اور نشاندہی، کمپنی کے اثاثوں کے تحفظ، قابلِ اطلاق قوانین اور ضوابط کی تعمیل، اور قابلِ اعتماد مالی معلومات کی درست، مکمل اور بروقت تیاری یقینی بنانے کے لیے وضع کیا گیا ہے۔داخلی مالیاتی کنٹرولز کا وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ ان کی مؤثریت برقرار رہے اور قابلِ اطلاق قوانین اور ضوابط میں ترامیم کے مطابق انہیں اپ ڈیٹ کیا جاسکے۔

اہم خدشات اور غیر یقینی صورتِ حال

ہر کاروبار کو ایسے خدشات اور غیر یقینی حالات کا سامنا ہوتا ہے جو مناسب انتظام نہ ہونے کی صورت میں اس کی کارکردگی کو منفی طور پر متاثر کر سکتے ہیں۔بورڈ نے کمپنی کو درپیش اہم داخلی اور خارجی خطرات کا جائزہ لیا ہے،جن میں درج ذیل شامل ہیں:

- تحقیق و ترقی، خودکاری اور ابھرتی ہوئی ٹیکنالوجیز میں محدود سرمایہ کاری، جو وقت کے ساتھ مسابقتی صلاحیت کو کم کر سکتی ہے؛
- ٹیکسٹائل مشینری میں تیز رفتار تکنیکی ترقی، جس سے قومی اور بین الاقوامی سطح پر مسابقت مزید مشکل ہوجاتی ہے؛
- جاری قانونی مقدمے کے تصفیے تک باقاعدہ بینکاری سہولیات کی تجدید نہ ہونے کا تسلسل۔
- کپاس اور دیگر خام مال کی قیمتوں میں اتار چڑھاؤ، جو منافع کے مارجن کو متاثر کرتا اور طویل مدتی منصوبہ بندی کو پیچیدہ بناتا ہے؛ اور
- مسلسل بلند افراطِ زر، جو صارفین کی قوتِ خرید اور کمپنی کی مصنوعات کی طلب کم کرتا ہے۔

ورکرز اور کام کرنے کا ماحول

آپ کی کمپنی ہنر مند ورکرز اور عملے کی اہمیت سے اچھی طرح واقف ہے۔لہٰذا اس مقصد کے لیے ڈیزائن کیے گئے ان ہاؤس پروگرام پر باقاعدگی سے عمل کیا جاتا ہے۔دوسری طرف صحت، حفاظتی اقدامات اور بہتر کام کرنے کے ماحول جیسے دیگر اہم حصوں کی بہت اچھی طرح سے دیکھ بھال کی جارہی ہے۔

سسٹین ایبلیٹی سے متعلق خطرات

سسٹین ایبلیٹی سے متعلق خطرات میں ماحولیاتی، سماجی اور گورنس کے عوامل شامل ہیں۔قابل تجدید توانائی اور سبز اقدامات کو اپنانے کے ذریعے کمپنی پائیدار مستقبل کے لیے اپنا کردار ادا کرتی ہے۔انتظامیہ نے ایسے قابل پیمائش اہداف مقرر کیے ہیں جو کمپنی کی حکمت عملی سے ہم آہنگ ہیں اور مثبت سماجی اثر کے لیے معاون ہیں۔

تنوع، مساوات اور شمولیت

کمپنی ایک ایسے متنوع، مساوی اور جامع کام کے ماحول کے فروغ کے لیے پُرعزم ہے جہاں ہر فرد کی قدر کی جائے، اس کا احترام کیا جائے اور اسے اپنی صلاحیتوں کو بروئے کار لاتے ہوئے ترقی کرنے کے مواقع فراہم کیے جائیں۔فیکٹری کی افرادی قوت میں خواتین کا تناسب بدستور صفر ہے، جس کی بنیادی وجہ کمپنی کی ملز کا دیہی علاقوں میں واقع ہونا ہے، جہاں ثقافتی اور سماجی عوامل خواتین کی ایسے کام کے ماحول میں شرکت کی حوصلہ شکنی کرتے ہیں جو روایتی طور پر مردوں کے غلبے میں رہا ہے۔انتظامیہ ایک زیادہ جامع کام کے ماحول کے قیام اور وقت کے ساتھ زیادہ متنوع افرادی قوت کی تشکیل کے لیے مسلسل اقدامات کررہی ہے، تاکہ بدلتے ہوئے سماجی رجحانات اور صنعت میں رائج بہترین طریقہ کار سے ہم آہنگی برقرار رکھی جاسکے۔بورڈ کی سطح پر خواتین کی نمائندگی 42.86 فیصد ہے۔

صنفی اجرت کے فرق کا بیان

(SECP کے سرکلر نمبر 10 برائے 2024 کے تقاضے کے مطابق)

i) اوسط صنفی اجرت کا فرق: صفر

ii) درمیانی صنفی اجرت کا فرق: صفر

iii) دیگر تفصیل:

فی الحال افرادی قوت میں خواتین کا تناسب صفر ہے۔ اس کی بنیادی وجہ ہماری مل کا دیہی مقام ہے، جہاں ثقافتی اور سماجی عوامل مردوں کے زیرِ غلبہ کام کی جگہوں پر خواتین کی شرکت کی حوصلہ شکنی کرتے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز تبسم سلیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور، سبکدوش ہو گئے ہیں اور اہل ہونے کی بنا پر 30 جون 2027 کو ختم ہونے والے آئندہ مالی سال کے لیے بطور آڈیٹر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔

حصص کی ملکیت کا نمونہ

30 جون 2026 تک حصص کی ملکیت کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

اظہارِ تشکر

ڈائریکٹرز کمپنی کے تمام ملازمین، اور عملے کو ان کی غیر متزلزل کارکردگی پر خراجِ تحسین پیش کرتے ہیں اور پر اعتماد ہیں کہ آئندہ بھی کمپنی کی کامیابی میں کردار ادا کرتے رہیں گے۔

برائے منجانب بورڈ

Khawar Almas

خاور الماس خواجہ

(چیف ایگزیکٹو)

محمد عالمگیر

(ڈائریکٹر)

بمقام لاہور، مورخہ 25 ستمبر 2026

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

Profit and Loss account	2026	2025	2024	2023	2022	2021
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales	910,090,469	960,746,184	771,550,202	563,533,352	551,810,523	313,982,107
Cost of sales	(883,701,665)	(927,587,750)	(763,147,231)	(553,138,001)	(536,054,979)	(309,389,927)
Gross Profit/(Loss)	26,388,804	33,158,434	8,402,971	10,395,351	15,755,544	4,592,180
Operating Expenses						
- Distribution cost	(1,800,000)	(1,800,000)	(1,500,000)	(1,945,883)	(1,624,577)	(984,777)
- Administrative expenses	(46,351,564)	(43,128,833)	(31,498,324)	(25,839,232)	(22,535,670)	(19,081,397)
- Other operating expenses	-	-	-			
	(48,151,564)	(44,928,833)	(32,998,324)	(27,785,115)	(24,160,247)	(20,066,174)
Operating Profit/ (Loss)	(21,762,760)	(11,770,399)	(24,595,353)	(17,389,764)	(8,404,703)	(15,473,994)
Other operating income/(Expenses)	-	-	35,000	-	-	631,489
Finance cost	(7,508,902)	(6,245,320)	(12,130)	(2,362)	(7,814)	(534,936)
Profit/(Loss) before derecognition of financial liabilities	(29,271,662)	(18,015,719)	(24,572,483)	(17,392,126)	(8,412,517)	(15,377,441)
Derecognition of financial liabilities	-	-	-	-	-	-
Profit/(Loss) before taxation	(29,271,662)	(18,015,719)	(24,572,483)	(17,392,126)	(8,412,517)	(15,377,441)
Taxation	2,886,042	(22,202,535)	(1,671,834)	24,782,355	16,870,239	(7,718,931)
Profit/(Loss) after taxation	(26,385,620)	(40,218,254)	(26,244,317)	7,390,229	8,457,722	(23,096,372)
Balance Sheet						
Share Capital	132,716,000	132,716,000	132,716,000	132,716,000	132,716,000	132,716,000
Accumulated loss	(265,376,782)	(260,392,153)	(242,886,214)	(240,637,117)	(264,090,913)	(288,976,596)
Net worth	(132,660,782)	(127,676,153)	(110,170,214)	(107,921,117)	(131,374,913)	(156,260,596)
Long term liabilities	140,661,370	151,800,139	121,158,890	102,702,037	74,007,818	99,508,434
Current liabilities	348,113,845	320,885,978	235,330,900	196,300,137	169,191,112	160,048,547
	488,775,215	472,686,117	356,489,790	299,002,174	243,198,930	259,556,981
Property, plant and equipment	494,092,535	543,777,770	555,401,185	596,999,533	403,280,039	418,478,355
Long term deposits	-	-	-	-	-	-
Current assets	284,337,353	262,557,478	174,918,308	102,257,185	75,354,309	68,647,540
	778,429,888	806,335,248	730,319,493	699,256,718	478,634,348	487,125,895
Key Financial Ratios						
Gross profit ratio (%)	2.90	3.45	1.09	1.84	2.86	1.46
Operating profit ratio (%)	(2.39)	(1.23)	(3.2)	(3.1)	(1.5)	(4.9)
Net profit ratio (%)	(2.90)	(4.19)	(3.40)	1.31	1.53	(7.36)
Current ratio	0.82	0.82	0.74	0.52	0.45	0.43
Leverage (Total liabilities/Net worth)	(3.68)	(3.70)	(3.24)	(2.77)	(1.85)	(1.66)
Earning per share (Rs./share)	(1.99)	(3.03)	(1.98)	0.56	0.64	(1.74)

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

Name of Company: **HAMID TEXTILE MILLS LIMITED**

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
   - b. Female 3
2. The Composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Tahir Ghafoor Khan Mr. Muhammad Mushtaq
Non-Executive Directors	Mrs. Khushbu Ammad Mrs. Momina Khawar Ali
Executive Directors	Mr. Khawar Almas Khawaja Mrs. Nighat Khawar Mr. Muhammad Alamgir

The independent directors meets the criteria of independence under the Companies Act, 2017

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 is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this Purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Two directors have completed directors training programme from authorized institutions and three directors have prescribed qualification and experience pursuant to regulation 19. Further, remaining two directors of the Company are planning to take training programme.
10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, during the year. However all such appointment including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations;
11. Chief 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
Mr. Muhammad Mushtaq	Independent Director - Chairman
Mrs. Khushbu Ammad	Non-Executive Director
Mr. Tahir Ghafoor Khan	Independent Director

b) HR and remuneration Committee

Names	Designation Held
Mr. Muhammad Mushtaq	Independent Director - Chairman
Mrs. Momina Khawar Ali	Non-Executive Director
Mr. Muhammad Alamgir	Executive Director

c) Nomination Committee

Names	Designation Held
Mrs. Khushbu Ammad	Non-Executive Director - Chairman
Mr. Khawar Almas Khawaja	Executive Director
Mr. Muhammad Alamgir	Executive Director

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 quarterly meetings 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

One meeting of Nomination Committee was held during the financial year ended June 30, 2026.

15. The Board has out source an effective internal audit function that is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (The ICAP) and registered with Audit Oversight Board of Pakistan, 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, Internal Auditor, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulation 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with;
19. Explanations 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	Reference
1	**Companies are also encouraged to arrange training for:** (i) At least one female executive every year under director training programme from year July 2020; and (ii) At least one head of department every year under director training programme from year July 2022	The Company will arrange training programme for the head of department in next few years.	**Regulation number 19(3)**
2	**Executive Director** The executive directors including the Chief executive officer, shall not be more than one third of the Board.	The Board is committed to addressing the matter in accordance with the applicable legal and regulatory requirements and, upon obtaining appropriate guidance from the Securities and Exchange Commission of Pakistan (SECP), is considering the appointment of a Non-Executive Director through the transfer of the requisite qualifying shares to a nominee, as may be permissible under the applicable laws and regulations, particularly in view of the suspension of trading in the Company's shares.	**Regulation number 8 (1)**
3	**Responsibilities of the Board and its members** The Board is responsible for governance and oversight of sustainability risks and opportunities and take appropriate measures to address it. Further, the Board ensures that the Company's sustainability and related strategies are periodically reviewed and monitored.	The Board acknowledges its responsibility for governance and oversight of sustainability risks and opportunities. Measures to address these matters are currently being developed and are expected to be finalized and implemented in the subsequent year. Once implemented, these measures will be subject to periodic review and monitoring to ensure their continued effectiveness and alignment with the Company's long-term sustainability strategy.	**Regulation number 10A (1) (3) (4) (5)**
4	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee, and the functions are being performed by the Board .	**Regulation number 30 (1)**

On behalf of the Board

Khawar Almas

Chief Executive **Chairman**

Dated: September 25, 2026

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hamid Textile Mills Limited for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach.
We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further we highlight below instance of non-compliance with the requirement of the Regulation as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. #	Reference	Description
(i)	**Para 19(1) of Statement of Compliance**	Only Two directors have completed the Director's Training Program , whereas it is recommended for all directors as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner & Selection Independent Directors) Regulations, 2018
(ii)	**Para 19 (2) of Statement of Compliance**	The executive directors including the Chief executive officer, should not be more than one third of the Board as required under the Listed Companies (Code of Corporate Governance) Regulations 2019.

TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
UDIN # CR202610933PVve4F73x

Dated: September 25, 2026
Place: Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Hamid Textile Mills Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Hamid Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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.

Because of the significance of the matter discussed in the basis for adverse opinion section of our report, In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss, the comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

The financial statement of the company for the year ended June 30, 2026 reflected loss before taxation of Rs. 38.05 million (2025: Rs. 30.02) million, and as of that date it has accumulated losses of Rs. 265.38 million (2025: Rs. 260.39 million) which has resulted in net capital deficiency before revaluation surplus of Rs. 132.66 million (2025: Rs. 127.68 million). Its current liabilities exceed its current assets by Rs. 63.78 million (2025: 58.33 million). Its financing facilities have expired and have not been renewed, and the Company is unable to ensure timely repayment of debts due to constrained capital facilities. Furthermore, the unit is not operating at optimum production capacity. These conditions indicate that the Company is unable to generate sufficient resources to meet its obligations and therefore is not a going concern. In our judgment, the use of the going concern basis of accounting in the preparation of these financial statements is inappropriate. Accordingly, the financial statements do not give a true and fair view in accordance with the applicable financial reporting framework.

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 adverse opinion.

Key Audit Matter

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 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.

In addition to the matter described in the basis for adverse opinion followings are the key audit matters:

Key Audit Matters	How our audit addressed the key audit matters
1. Stock in trade, stores, spares and loose tools Stock in trade, stores, spares and loose tools as June 30, 2026 amount to Rs. 77.69 million (2025: Rs. 69.59 million) and Rs. 16.188 (2025: Rs. 11.11 million) respectively. We identified the existence and valuation of inventory as a key audit matter due to its size representing 33% of the total current assets. For further information on stock in trade and stores, spares and loose tools refer to Note 4.5, Note 8, Note 4.3 and Note 7 respectively.	• Our audit procedures to assess the existence and valuation of stock in trade and stores, spares and loose tools, amongst others, included the following: • to test the quantity of stock in trade, stores, spares and loose tools at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on site. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • for a sample of stock in trade, stores, spares and loose tools, reperformed 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 our calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents; and, • we also made enquiries of the management and considered the results of our testing above to determine whether any specific write down is required.

Key Audit Matters	How our audit addressed the key audit matters
2. **Revenue Recognition**	
Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria have also been explained in Note 4.19. We have identified revenue recognition as key audit matter as it is one of key performance indicators of the Company and there is inherent risk that revenue transactions may not have been recognized in accordance with revenue recognition criteria.	Our procedures to assess recognition of sales amongst others, include the following: • obtaining an understanding of and assessing the design and implementation of controls to ensure that revenue is recognized in the appropriate accounting period and based on accounting policy. • assessing the appropriateness of Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting and reporting standards; • comparing on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period. • checked on a sample basis recorded sales transactions with underlying supporting documentation; and • assessed adequacy of related disclosures in the financial statements.

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.

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:

1. 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.
2. 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.

3. 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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) except for the possible effects of the matter discussed in Basis for adverse opinion section of our report, Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the possible effects of the matter discussed in Basis for adverse opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the

Purpose of the Company's business; and

d) No zakat is deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements for the preceding year were audited by another auditor, who also issued an adverse opinion on the financial statements dated October 02, 2025.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Sarmad Ahmad Khan (FCA)

Sarmad

TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
UDIN # AR2026109335PlwnACoY

TABUSSUM SALEEM & CO. CHARTERED ACCOUNTANTS
LAHORE PAKISTAN

Dated: September 25, 2026
Place: Lahore

Office # 1, 3rd Floor, Madina Heights 87-E, Maulana Shaukat Ali Road, Johar Town, Lahore - Pakistan.
Tel: 042-35173258, 35173260 Email: matabussum@yahoo.com

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 (Rupees)	2025 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	5	494,092,535	543,777,770
		494,092,535	543,777,770
Current assets			
Security deposits	6	360,000	360,000
Stores, spares and loose tools	7	16,188,352	11,118,791
Stock in trade	8	77,690,513	69,596,138
Trade receivables - considered good	9	157,802,280	155,550,039
Advances to suppliers and staff	10	1,962,760	7,327,346
Tax refunds due from the government	11	160,961	84,933
Cash and bank balances	12	30,172,487	18,520,231
		284,337,353	262,557,478
		778,429,888	806,335,248
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		150,000,000	150,000,000
		150,000,000	150,000,000
Issued, subscribed and paid up capital	13	132,716,000	132,716,000
Accumulated loss		(265,376,782)	(260,392,153)
		(132,660,782)	(127,676,153)
Surplus on revaluation of fixed assets - net of tax	14	422,315,455	461,325,284
		289,654,673	333,649,131
LIABILITIES			
Non current liabilities			
Long term loans - unsecured	15	45,000,000	45,000,000
Deferred tax liability	16	89,452,820	104,388,462
Provision for gratuity	17	6,208,550	2,411,677
		140,661,370	151,800,139
Current liabilities			
Trade and other payables	18	238,350,859	207,789,358
Accrued markup on long term loans	19	33,292,695	33,526,329
Loan from related party - unsecured	20	4,561,600	7,661,600
Overdue portion of short term borrowings - secured	21	24,520,298	24,520,298
Overdue portion of long term loans - secured	22	47,388,393	47,388,393
		348,113,845	320,885,978
CONTINGENCIES AND COMMITMENTS	23	-	-
		778,429,888	806,335,248

Chief Executive | Chief Financial Officer | Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees)	2025 (Rupees)
Revenue - net of tax	24	910,090,469	960,746,184
Cost of revenue	25	(883,701,665)	(927,587,750)
Gross profit		26,388,804	33,158,434
Administrative expenses	26	(46,351,564)	(43,128,833)
Selling and distribution expenses	27	(1,800,000)	(1,800,000)
Finance cost	28	(7,508,902)	(6,245,320)
Loss before levy and taxation		(29,271,662)	(18,015,719)
Levy	29	(8,774,336)	(12,009,327)
Loss before taxation		(38,045,998)	(30,025,046)
Taxation (Income) / Expense	30	11,660,378	(10,193,208)
Loss after taxation		(26,385,620)	(40,218,254)
Loss per share - basic	31	(1.99)	(3.03)

Chief Executive Chief Financial Officer Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees)	2025 (Rupees)
Loss after taxation		**(26,385,620)**	(40,218,254)
Items that will not be reclassified to profit or loss			
Surplus / (Deficit) on revaluation of property, plant and equipment		**(16,672,641)**	
Deffered Tax related to this item		**206,666**	
		(16,465,975)	-
Gain / (loss) on remeasurement of staff retirement benefit obligation	**17.1.6**	**(1,609,666)**	53,073
Deffered Tax related to this item	**16**	**466,803**	(15,391)
Items that may be reclassified subsequently to profit or loss:		**(1,142,863)**	-
Total comprehensive loss for the year		**(43,994,458)**	(40,180,572)

Chief Executive | Chief Financial Officer | Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Share capital Issued, subscribed and paid up capital	Revenue reserves Accumulated loss	Surplus on revaluation of fixed assets	Total equity
	Ordinary shares			
	--------(Rupees)--------			
Balance as at July 01, 2024	132,716,000	(242,886,214)	483,999,917	373,829,703
Loss for the year	-	(40,218,254)	-	(40,218,254)
Prior year adjustments	-	-	-	-
Other comprehensive loss	-	53,073	-	53,073
Impact of deferred tax on remeasurement of provision for gratuity	-	(15,391)	-	(15,391)
Incremental depreciation effect (net of defered tax)	-	22,674,633	(22,674,633)	-
	-	-	-	-
Balance as at June 30, 2025	132,716,000	(260,392,153)	461,325,284	333,649,131
Balance as at July 01, 2025	**132,716,000**	**(260,392,153)**	**461,325,284**	**333,649,131**
Loss for the year	-	**(26,385,620)**	-	**(26,385,620)**
Shares Issued	-	-	-	**-**
Other comprehensive income	-	**(1,609,666)**	(16,465,975)	**(18,075,641)**
Impact of deferred tax on remeasurement of provision for gratuity	-	**466,803**	-	**466,803**
Incremental depreciation effect (net of defered tax)	-	**22,543,854**	**(22,543,854)**	**-**
Balance as at June 30, 2026	**132,716,000**	**(265,376,782)**	**422,315,455**	**289,654,673**

Chief Executive | Chief Financial Officer | Director

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees)	2025 (Rupees)
Cash flows from operating activities			
Loss before levy and taxation		**(29,271,662)**	(18,015,719)
Adjustments for non-cash income and expenses:			
Depreciation on property, plant and equipment	5	**37,112,594**	38,174,005
Allowance for ECL	9.1 & 11.1	**3,706,980**	2,958,654
Provision for gratuity	17.1.5	**4,598,884**	2,420,174
Finance cost	28	**7,508,902**	6,245,320
		23,655,698	31,782,434
Changes in working capital:			
Stores, spares and loose tools		**(5,069,561)**	2,633,694
Stock in trade		**(8,094,375)**	3,507,483
Trade receivables - considered good		**(5,959,221)**	(86,016,463)
Advances to suppliers and staff		**5,364,586**	(6,606,476)
Tax refunds due from the Government		**(76,028)**	9,223,972
Trade and other payable		**30,561,501**	84,945,077
		40,382,600	39,469,721
Cash generated from operations:			
Gratuity paid	17.1.2	**(2,411,677)**	(1,934,451)
Finance cost paid		**(7,742,536)**	(5,358,334)
Taxes paid		**(11,376,131)**	(11,985,079)
Net cash generated from operating activities		**18,852,256**	20,191,857
Cash flows from investing activities			
Purchase of fixed assets	5	**(4,100,000)**	(26,550,590)
Disposal proceeds of fixed assets		**-**	-
Net cash (used in) / generated from investing activities		**(4,100,000)**	(26,550,590)
Cash flows from financing activities			
Short term loan from related parties - unsecured	20.2	**(3,100,000)**	(240,000)
Long term loans obtained	15	**-**	20,000,000
Net cash generated from financing activities		**(3,100,000)**	19,760,000
Net (decrease) / increase in cash and cash equivalents		**11,652,256**	13,401,267
Cash and cash equivalents at the beginning of the year		**18,520,231**	5,118,964
Cash and cash equivalents at the end of the year	12	**30,172,487**	18,520,231

Chief Executive | Chief Financial Officer | Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Hamid Textile Mills Limited (the "Company") was incorporated in Pakistan on April, 09, 1987 as a Private Limited Company and was subsequently converted on February 15, 1988 into Public Limited Company under the Companies Act, 2017 and is listed on the Pakistan Stock Exchange in Pakistan. The principal line of business of the company is to manufacture yarn and fabric. The Company's manufacturing activities are located at Wan Adhan, Tehsil Pattoki, District. Kasur, and the Company's registered / head office is situated at 142, Block D, Model Town, Lahore.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the year, no significant events and transactions occurred.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

Where provisions of and directives issued under the Companies Act, 2017 differ from IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 For the year ended June 30, 2026, the Company's financial statements reported a loss before levy and taxation of Rs. 29.271 million (2025: Rs.18.015 million). As of June 30, 2026, the Company had accumulated losses amounting to Rs. 265.37 million (2025: 260.39 million), which resulted in net capital deficiency before revaluation surplus of Rs. 132.66 million (2025: Rs. 127.67 million). Furthermore, the Company's current liabilities exceeded its current assets by Rs. 63.78 million (2025: 58.32 million). The Company's financial facilities have expired and have not been renewed, as the matter is currently pending with the Honorable Lahore High Court as disclosed in Note 23.1.2. Due to these financial constraints, which have resulted in squeezed working capital, the Company may face difficulties in ensuring the timely repayment of its debts. These conditions raise a material uncertainty that casts significant doubt on the Company's ability to continue as going concern. Despite the aforementioned challenges, the total assets of the Company exceed its total liabilities by Rs. 289.65 million as of the balance sheet date. This positive net asset position suggests that the Company is capable of meeting its liabilities in the normal course of business. The management is actively making dedicated efforts to ensure the viability and continued operation of the unit, which has been operational for over a decade even under difficult economic conditions. Management is currently in negotiations with banks for settlement, restructuring, and renewal of financial facilities. The Company anticipates that it will remain operative and restore the equity of its shareholders. Consequently, the financial statements have been prepared on a going concern basis without any adjustment to the assets and liabilities. The management holds the expectation that these challenging factors are temporary, will be reversed in the foreseeable future, and the unit will be able to continue its operations.

3.3 Basis of measurement

These financial statements have been prepared under historical cost convention except otherwise stated.

3.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees.

3.5 Reclassification for better presentation

Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.

3.6 Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Company.

3.6.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements.

3.7 Standards, interpretations and amendments to approved accounting standards that are not yet effective

3.7.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

Standard or interpretation		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2027
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cashflows)		January 1, 2026

3.7.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretations that have been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First time adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement.
IFRS 20	Regulatory Assets and Regulatory Liabilities

3.8 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Useful life, residual values and depreciation method for property, plant and equipment - Note 4.1 & 5

Valuation of stock-in-trade at lower of cost or NRV - Note 4.5

Accounting for retirement benefit obligation - Note 4.9 & 17.1

Estimation of provisions - Note 4.12

Estimation of contingent liabilities - Note 4.17 & 23

Levy - minimum tax and recognition of deferred tax liability - Note 4.15, 29 & 16

Impairment of non-financial assets - Note 4.2

Impairment of financial assets - Note 4.23

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Initial recognition

Property, plant and equipment, other than freehold land, buildings on freehold land, and plant and machinery, are carried at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at revalued amount, determined by independent valuers by reference to current market prices. Buildings on freehold land and plant and machinery are stated at revalued amounts determined by independent valuers, based on current market values, less accumulated depreciation and any identified impairment losses. The cost of additions to property, plant and equipment comprises the purchase price together with all directly attributable costs necessary to bring the asset to the location and condition intended for its use.

Surplus arising on revaluation is recognized by restating the gross carrying amounts of the respective assets in proportion to the change in their carrying values resulting from revaluation. At the date of revaluation, the accumulated depreciation is adjusted to reflect the difference between the gross carrying amount and the revalued carrying amount of the asset, after accounting for any accumulated impairment losses.

4.1.1 Subsequent measurement

Increases in the carrying amounts of property, plant and equipment arising from revaluation are recognized in the respective asset, in other comprehensive income and accumulated in equity under the heading surplus on revaluation of fixed asset - net of tax.

Upon disposal of revalued assets, the related revaluation surplus is transferred directly to retained earnings. All transfers to and from the surplus on revaluation of property, plant and equipment are recorded net of the related deferred tax effects.

Subsequent costs are capitalized as part of the asset's carrying amount or recognized as a separate asset, where it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. The carrying amount of the replaced component is derecognized. Routine repair and maintenance expenditures are charged to the statement of profit or loss as incurred, whereas major renewals and improvements are capitalized, with the replaced assets, if any, being retired.

Further items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any). The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss on disposal or retirement of an asset is represented by the difference between the sale proceeds and the carrying amount of the asset and is recognized as other income or expense.

Depreciation

Depreciation on all property, plant and equipment, other than freehold land, is charged to the statement of profit or loss using the reducing balance method so as to allocate the depreciable amount of each asset over its estimated useful life, after considering any residual value where significant. Residual values and useful lives are reviewed at each financial year-end, and adjustments are made where the impact on depreciation is considered material.

A transfer from the revaluation surplus to retained earnings is made in accordance with the incremental depreciation, determined by applying the respective asset's depreciation rate to the opening balance of the revaluation reserve, net of deferred tax impact.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Disposals

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset, and is recognised as gain or loss in the statement of profit or loss.

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

4.2 Impairment of non-financial-assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The 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 they are separately identifiable (cash-generating units). An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only 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 no impairment loss had been recognized.

4.3 Stores and spares

All stores, spares and loose tools purchased are charged to the statement of profit or loss when consumed and are valued at lower of weighted average cost or estimated NRV. Provision is made for obsolete and slow moving items where necessary and is recognized in the statement of profit or loss.

4.4 Method of preparation of cash flow statement

Cash flow is prepared using indirect method.

4.5 Inventories

These are valued at the lower of cost and net realizable value less allowance for obsolete and slow moving items (if any). Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Costs of purchased inventories are determined after deducting discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.5.1 Stock-in-trade

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

Types of stock	Valuation method
Raw materials	lower of weighted average cost or net realizable value
Work-in-process	weighted average cost method
Finished goods	lower of weighted average cost or net realizable value

Judgments and estimates

Inventories write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventories balances for any such declines.

4.6 Trade receivables

Trade and other receivables are initially stated at fair value of consideration to be received. Subsequent to initial recognition these are carried at their amortized cost as reduced by appropriate charge for expected credit losses, if any. For measurement of loss allowance of trade receivables, the Company applies the IFRS 9 simplified approach to measure the expected credit losses.

4.7 Advances and deposits

These are recognized at cost, representing the fair value of the consideration given. For the measurement of loss allowances, the Company applies the IFRS 9 simplified approach to trade receivables and contract assets, while advances, prepayments, and deposits are assessed under the general expected credit loss model, recognizing 12-month or lifetime ECL depending on changes in credit risk since initial recognition.

4.8 Cash & bank balances

Cash and bank balances equivalents comprise of cash in hand and balances with bank. Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and cash with banks.

4.9 Employee benefits

The Company has following plan for its employees:

4.9.1 Defined benefit plan

The Company operates an unfunded gratuity scheme for all employees in accordance with the terms of employment, subject to a minimum qualifying service period of twelve months. Annual provisions are recognized on the basis of actuarial valuations carried out using the Projected Unit Credit Method for all employees eligible for gratuity benefits.

The most recent actuarial valuation was conducted as of June 30, 2026. Remeasurements, comprising actuarial gains and losses, are recognized immediately in other comprehensive income.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

4.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.11 Interest / mark-up bearing loans and borrowings

Borrowings are recognised initially at fair value and is subsequently at amortized cost. Any difference between the proceeds in the redemption value is recognised in the statement of profit or loss over the period of the borrowings using effective interest rate method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the statement of profit or loss in the period in which they are incurred.

4.12 Provisions

Provisions are recognized when the Company has a legal or constructive obligation 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.

4.13 Earnings per share

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

4.14 Accounting for minimum taxes and final taxes

During May 2024, The Institute of Chartered Accountants of Pakistan (ICAP) issued a guide "IAS 12 Application Guidance on Accounting of Minimum taxes and Final taxes (the Guide)" to provide guidance on accounting of minimum tax, as mentioned in Income Tax Ordinance, 2001, under the requirement of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes in compliance with the requirements of IFRS Accounting Standards.

In view of the above clarification from ICAP, it has been established that minimum tax do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent liabilities and Contingent Assets".

The Guide issued by ICAP provides approaches to account for minimum regime taxes according to the facts and circumstances as applicable to the Company. Accordingly, the Company has adopted the following approach;

Designate the amount calculated on taxable income using the notified tax rates as an income tax within the scope of IAS 12 "Income Taxes" and recognized it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37 "Provisions, Contingent liabilities and Contingent Assets". Therefore, the effective rate of income tax is equal to the enacted rate of income tax and deferred tax will be calculated at such rate.
Super tax charged to entities as per provisons of Income Tax Ordinance, 2001, will be classified as either "Income Tax" or "Levy" in accordance with guidance provided in the Guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognized as "income tax" otherwise such super tax shall qualify for recognition as "levy" as per IFRIC 21 / IAS 37].
Advance taxes paid under any section of the Income Tax Ordinance, 2001, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as "prepaid assets".

4.15 Taxation

Taxation comprises of levy - minimum tax, current tax and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognised directly in other comprehensive income or equity.

4.15.1 Levy

As explained in note 4.14, in accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan ('ICAP'), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

4.15.2 Current tax

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

4.15.3 Deferred tax

Deferred tax liability is recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and carry forward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the reporting date.

4.15.4 Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4.15.5 Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

4.16 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, if it is in the interest of the Company to do so.

4.17 Contingent assets and liabilities

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will be confirmed only 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 virtually certain. Contingent asset is disclosed when an inflow of economic benefits are probable.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.18 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.19 Revenue recognition

Revenue from the sale of yarn, fabric and waste is recognized based on the specified consideration net of returns, amounts collected on behalf of third parties (sales tax etc) and when control of the goods is transferred to the customer in accordance with the terms of sale or contract. The company ensures that all significant risks and rewards of ownership have been transferred, it retains neither continuing managerial involvement nor effective control over the goods, the amount of revenue can be measured reliably, and it is probable that the associated economic benefits will flow to the company. Any amounts received from customers in advance of delivery are recorded as contract liabilities and recognized as revenue when the related goods are delivered. Similarly, revenue from toll manufacturing Services are recognised when or as the related performance obligation is met.

4.19.1 Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

4.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment. All non-current assets of the Company are located in Pakistan and all of the revenue is derived from the sale of yarn, fabric and waste sales.

4.21 Contract asset / liability

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

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 recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligation under the contract.

4.22 Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

4.23 Financial instruments

Financial instruments (financial assets and financial liabilities) are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company losses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the profit or loss.

4.23.1 Financial assets

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

a) Amortized cost

b) Fair value through other comprehensive income (FVTOCI)

c) Fair value through profit or loss (FVTPL)

The classification depends on the entity'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 comprehensive income (OCI). For investment in equity instruments that are not held for trading 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 (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset.

Further financial assets are derecognized when the rights to receive cash flows from the financial assets have expired and the Company has transferred substantially all the risks and rewards of ownership.

Initial recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction cost except for assets classified at fair value through profit or loss (FVTPL). Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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;

a) Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue 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 OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented in finance income/cost in the period in which it arises.

Impairment of financial assets

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade receivables and tax due from governments (if any) carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the Expected Credit Loss model:

1) Trade receivables - considered good
2) Security deposits
3) Advances to staff
4) Cash and cash equivalents

Simplified approach for all current assets where expected credit loss (ECL) is applicable

The Company recognizes life time ECL on trade receivables, tax due from government (if any), using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As the Company applies simplified approach in calculating ECLs for trade receivables and tax due from government (if any), the Company does not track changes in credit risk, but instead recognized a loss allowance based on life time ECLs at each reporting date. ECLs on these financial assets are estimated using a provision matrix approach adjusted for forward looking factors specific to the trade debtors, tax due from governments (if any) and their respective economic environment. The management has changed its estimate regarding loss given default during the year due to improvement in collection pattern of past due balances.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity.

4.23.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

a) fair value through profit or loss;

b) amortised cost;

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Offsetting financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Finance cost

Finance cost comprises of interest charge on long term loan and bank charges on transfer of funds, and are recognized on accrual basis.

An underlying asset can be of low value only if:
(a) the lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
(b) the underlying asset is not highly dependent on, or highly interrelated with, other assets.
A lease of an underlying asset does not qualify as a lease of a low-value asset if the nature of the asset is such that, when new, the asset is typically not of low value.

5 **Property, plant and equipment**

5.1 **Detailed movement of operating fixed assets is as follows;**

As at June 30, 2026

	Freehold Land	Building on freehold land	Plant & Machinery	Tools & Equipments	Tube well & pumps	Furniture & Fixture	Office Equipment	Vehicles	Solar system	Total
NET CARRING VALUE BASIS										
Opening net book value (NBV)	**87,600,000**	**174,271,847**	**261,545,916**	**49,672**	**98,170**	**205,673**	**426,898**	**39,717**	**19,539,877**	**543,777,770**
Addition / Transfers	-	-	**4,100,000**	-	-	-	-	-	-	**4,100,000**
Revaluation Surplus/(Deficit)	**(15,960,000)**	**(11,425,755)**	**10,713,114**	-	-	-	-	-	-	**(16,672,641)**
Disposal	-	-	-	-	-	-	-	-	-	
Cost	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation Charge	-	**(8,713,592)**	**(26,359,030)**	**(4,967)**	**(9,817)**	**(20,567)**	**(42,690)**	**(7,943)**	**(1,953,988)**	**(37,112,594)**
Closing net book value	**71,640,000**	**154,132,500**	**250,000,000**	**44,705**	**88,353**	**185,106**	**384,208**	**31,774**	**17,585,889**	**494,092,535**
GROSS CARRYING VALUE BASIS										
Cost/Revaluation	**71,640,000**	**301,424,803**	**693,904,409**	**1,503,568**	**460,171**	**2,619,932**	**3,367,532**	**2,815,401**	**19,550,590**	**1,097,286,406**
Accumulated Depreciation	-	**(147,292,303)**	**(443,904,409)**	**(1,458,863)**	**(371,818)**	**(2,434,826)**	**(2,983,324)**	**(2,783,627)**	**(1,964,701)**	**(603,193,871)**
Closing net book value	**71,640,000**	**154,132,500**	**250,000,000**	**44,705**	**88,353**	**185,106**	**384,208**	**31,774**	**17,585,889**	**494,092,535**
Depreciation rate % per annum		5%	10%	10%	10%	10%	10%	20%	10%	

As at June 30, 2025

	Freehold Land	Building on freehold land	Plant & Machinery	Tools & Equipments	Tube well & pumps	Furniture & Fixture	Office Equipment	Vehicles	Solar system	Total
NET CARRING VALUE BASIS										
Opening net book value (NBV)	87,600,000	183,444,050	283,440,363	55,191	109,078	228,526	474,331	49,646	-	555,401,185
Addition / Transfers	-	-	7,000,000	-	-	-	-	-	19,550,590	26,550,590
Revaluation Surplus	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation Charge	-	(9,172,203)	(28,894,447)	(5,519)	(10,908)	(22,853)	(47,433)	(9,929)	(10,713)	(38,174,005)
Closing net book value	87,600,000	174,271,847	261,545,916	49,672	98,170	205,673	426,898	39,717	19,539,877	543,777,770
GROSS CARRYING VALUE BASIS										
Cost/Revaluation	87,600,000	301,424,803	689,804,409	1,503,568	460,171	2,619,932	3,367,532	2,815,401	19,550,590	1,109,146,406
Accumulated Depreciation	-	(127,152,956)	(428,258,493)	(1,453,896)	(362,001)	(2,414,259)	(2,940,634)	(2,775,684)	(10,713)	(565,368,636)
Closing net book value	87,600,000	174,271,847	261,545,916	49,672	98,170	205,673	426,898	39,717	19,539,877	543,777,770
Depreciation rate % per annum	-	5%	10%	10%	10%	10%	10%	20%	10%	

5.2 The freehold land of the Company is situated at Changa Manga Road, Wan Adhan, Pattoki, District Kasur with a covered area of 201,600 sq. ft.

	Note	2026 (Rupees)	2025 (Rupees)
5.3 Depreciation charge for the year has been allocated as follows:			
Cost of revenue	25	**35,199,087**	36,154,520
Administrative expenses	26	**1,913,508**	2,019,485
		37,112,595	38,174,005

5.4 The latest revaluation of freehold land, building on freehold land and plant and machinery was carried out on June 30, 2026 by an independent professional valuer Tristar International Consultant (Private) Limited appointed by National Bank of Pakistan. As per the revaluatoin report, forced sale value of freehold land and building on freehold land was Rs. 60.89 million and Rs. 131.01 million respectively and forced sales value of plant and machinery is Rs. 200.00 million.

Had there been no revaluation, the carrying amount of revalued class freehold land, building on freehold land, and plant and machinery would have been as follows:

Description	Cost as at 01-07-2025	Addition/ (Deletion)	Cost as at 30-06-2026	Accumulated Depreciation	Book Value as at 30-06-2026
Freehold land	5,373,978		5,373,978	-	5,373,978
Buildings on freehold land	71,835,757		71,835,757	(64,788,308)	7,047,449
Plant and machinery	368,213,388	4,100,000	372,313,388	(343,709,603)	28,603,785
	445,423,123	4,100,000	449,523,123	(408,497,911)	41,025,212

Description	Cost as at 01-07-2024	Addition/ (Deletion)	Cost as at 30-06-2025	Accumulated Depreciation	Book Value as at 30-06-2025
Freehold land	5,373,978		5,373,978	-	5,373,978
Buildings on freehold land	71,835,757		71,835,757	(64,417,390)	7,418,367
Plant and machinery	361,213,388	7,000,000	368,213,388	(340,759,806)	27,453,582
	438,423,123	7,000,000	445,423,123	(405,177,196)	40,245,927

5.5 Property, plant and equipment of the Company is under charge against the loan facilities obtained by the Company that are pending adjucation in Lahore High Court as disclosed in Note 23.1.2. The details of these charges are as follows:

5.5.1 Under Demand Finance – I, a first exclusive charge amounting to Rs. 220 million has been created over the Company's fixed assets, including freehold land, building on freehold land, plant and machinery, and other fixed assets, duly registered with Securities Exchange Commission of Pakistan (SECP). The freehold land is situated at Changa Manga Road, Wan Adhan, Pattoki, District Kasur, with a covered area of 201,600 sq. ft., and is owned by the Company. This charge was created in October 2003. At the time of creation of the charge, disclosure of fair market value (FV), forced sale value (FSV), or related breakup figures was not a regulatory or disclosure requirements; hence, such information was not included in the charge documentation.

5.5.2 Under Demand Finance – II, a first exclusive charge amounting to Rs. 220 million has been created over the Company's fixed assets, including freehold land, building on freehold land, plant and machinery, and other fixed assets, duly registered with SECP. The freehold land is situated at Changa Manga Road, Wan Adhan, Pattoki, District Kasur, with a covered area of 201,600 sq. ft., and is owned by the Company. This charge was created in September 2003. At the time of creation of the charge, disclosure of fair market value (FV), forced sale value (FSV), or related breakup figures was not a regulatory or disclosure requirements; hence, such information was not included in the charge documentation.

5.5.3 Under trust receipt, a first exclusive charge amounting to Rs. 220 million has been created over the Company's fixed assets, including freehold land, building on freehold land, plant and machinery, and other fixed assets, duly registered with SECP. The freehold land is situated at Changa Manga Road, Wan Adhan, Pattoki, District Kasur, with a covered area of 201,600 sq. ft., and is owned by the Company. This charge was created in October 2003. At the time of creation of the charge, disclosure of fair market value (FV), forced sale value (FSV), or related breakup figures was not a regulatory or disclosure requirements; hence, such information was not included in the charge documentation.

6 SECURITY DEPOSITS

	Note	2026	2025
Security deposit against rent	6.1	**350,000**	350,000
Security deposit to SNGPL	6.2	**10,000**	10,000
		360,000	360,000

6.1 This represents amount deposited as a security to landlord for renting office premises. The rent agreement is for 11 months and security deposit is returned to the Company upon the expiration of the agreement, if not renewed.

6.2 This represents amount deposited to SNGPL for installation of sui gas meter at plant premises.

		Note	2026 (Rupees)	2025 (Rupees)
7	**STORES, SPARES AND LOOSE TOOLS**			
	Stores, spares and loose tools		**16,188,352**	11,118,791
	Less: provision for slow moving stock		**-**	-
			16,188,352	11,118,791
8	**STOCK IN TRADE**			
	Raw material		**51,538,283**	37,112,130
	Work-in-process		**5,565,505**	4,462,437
	Finished goods		**20,586,725**	28,021,571
			77,690,513	69,596,138
9	**TRADE RECEIVABLES - CONSIDERED GOOD**			
	Trade receivables			
	Receivables - local sales		**162,568,397**	156,609,176
	Allowance for expected credit loss	**9.1**	**(4,766,117)**	(1,059,137)
			157,802,280	155,550,039
9.1	**Allowance for expected credit loss**			
	Opening balance		**1,059,137**	**-**
	Provision for the year		**3,706,980**	1,059,137
	Balance written off during the year		**-**	**-**
	Less: reversal of expected credit loss (ECL)		**-**	**-**
	Closing balance		**4,766,117**	1,059,137
10	**ADVANCES TO SUPPLIERS AND STAFF**			
	Unsecured - considered good			
	Advances to staff		**365,000**	145,000
	Advances to suppliers		**1,597,760**	7,182,346
			1,962,760	7,327,346
11	**TAX REFUNDS DUE FROM THE GOVERNMENT**			
	Sales tax refundable		**-**	1,899,517
	Balance written off during the year	**11.1**	**-**	(1,899,517)
	Sales tax refundable		-	-
			-	-
	Income tax refundable	**11.2**	**160,961**	84,933
			160,961	84,933
11.1	**Allowance for expected credit loss**			
	Opening balance		**-**	**-**
	Provision for the year		**-**	1,899,517
	Balance written off during the year		**-**	(1,899,517)
	Less: reversal of expected credit loss (ECL)		**-**	-
	Closing balance		**-**	-
11.2	**Income tax refundable**			
	Opening Income Tax Refundable		84,933	146,166
	Advance Tax paid during the year		11,452,160	11,948,094
			11,537,093	12,094,260
	Less: Provision for Taxation		(11,376,131)	(12,009,327)
			160,961	84,933
12	**CASH AND BANK BALANCES**			
	Cash in hand		**106,848**	207,733
	Cash at bank		**30,065,639**	18,312,498
			30,172,487	18,520,231

		Note	2026 (Rupees)	2025 (Rupees)
13	**SHARE CAPITAL**			
	AUTHORISED CAPITAL			
	15,000,000 ordinary shares of Rs. 10 each (June 30, 2025: 15,000,000 ordinary shares of Rs. 10 each)		**150,000,000**	150,000,000
	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	Shares issued for cash (13,271,600 ordinary shares of Rs. 10 each)		**132,716,000**	132,716,000
	(June 30, 2025: 13,271,600 ordinary shares of Rs. 10 each)			

		No. of shares	No. of shares
13.1	**Movement during the year is as follows:**		
	Balance at the start of the year	**13,271,600**	13,271,600
	Ordinary shares issued	**-**	-
	Balance at the end of the year	**13,271,600**	13,271,600

13.2 Ordinary shares of the Company held by directors at the year end are as follows:

	No. of shares	No. of shares
Directors, Officers, their spouse and minor children	**3,629,910**	3,629,510
	Percentage held	Percentage held
Directors, Officers, their spouse and minor children	**27.35%**	27.35%

13.3 The ordinary shareholders are entitled to one vote per share at the meetings of the Company. All shares are ranked equally with regard to Company's residual assets.

14 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	Note	2026 (Rupees)	2025 (Rupees)
Balance at the start of the year		**461,325,284**	483,999,917
Surplus/(Deficit) on revaluation during the year		**(16,672,641)**	-
Deferred tax liability on revaluation surplus during the year		**206,666**	-
		444,859,309	483,999,917
Amount transferred to accumulated surplus on account of:		**-**	-
Incremental depreciation charged during the year		**(31,751,907)**	(31,936,103)
Related deferred tax impact on incremental depreciation		**9,208,053**	9,261,470
		(22,543,854)	(22,674,633)
Balance at the end of the year	**14.1**	**422,315,455**	461,325,284

14.1 This represents surplus (net of applicable deferred tax) arising on revaluation of freehold land, buildings on freehold land, plant and machinery. This has been adjusted by incremental depreciation arising out of revaluation of above–mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Tristar International Consultant (Pvt) Ltd on 30th June, 2026. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

15 LONG TERM LOANS - UNSECURED

15.1 From other than banking companies (unsecured)

	Note	2026 (Rupees)	2025 (Rupees)
Loan from Mr. Sohail Ahmed	**15.2**	**35,000,000**	35,000,000
Loan from Mr. Sardar Muhammad Asif Nakai	**15.3**	**10,000,000**	10,000,000
		45,000,000	45,000,000

		Note	2026 (Rupees)	2025 (Rupees)
15.2	**Movement during the year - Mr. Sohail Ahmed**			
	Balance at the start of the year	**15.2.1**	**35,000,000**	25,000,000
	New loan obtained during the year	**15.2.2**	**-**	10,000,000
	Balance at year end		**35,000,000**	35,000,000
15.3	**Movement during the year - Mr. Sardar Muhammad Asif Nakai**			
	Balance at the start of the year		10,000,000	-
	New loan obtained during the year	**15.3.1**	**-**	10,000,000
	Balance at the end of the year		**10,000,000**	10,000,000

15.2.1 The Company has obtained an unsecured loan facility amounting to Rs. 25 million carrying a fixed annual interest rate of 18% on the outstanding principal balance. The loan was disbursed in two tranches: Rs. 20 million on May 06, 2024 and Rs. 5 million on June 03, 2024. The agreed interest rate of 18% represents a materially market-based rate, negotiated directly between the Company and the lender. The loan does not contain any penalties for late payments, conversion rights, or other embedded derivatives. The facility was obtained with the approval of the Board of Directors and is structured as an unsecured lending arrangement. In accordance with the agreed terms, repayment of the principal will commence three years from the date of disbursement in equal monthly installments, continuing until full settlement. Interest expense accrues from the respective disbursement dates and is contractually payable on a quarterly basis. The contractual interest rate will remain fixed throughout the term of the loan. The loan is recognized initially at fair value, net of directly attributable transaction costs, if any, and is subsequently measured at amortized cost using the effective interest method, in compliance with IFRS 9 – Financial Instruments.

15.2.2 The Company has obtained an unsecured loan facility amounting to Rs. 10 million from the same lender, carrying a fixed annual interest rate of 14% on the outstanding principal balance. The loan was disbursed in full on February 07, 2025. The agreed interest rate of 14% reflects a materially market-based rate, negotiated directly between the Company and the lender. The loan does not include any penalties for late payments, conversion rights, or other embedded derivatives. The facility was approved by the Board of Directors and is structured as an unsecured lending arrangement. In accordance with the agreed terms, repayment of the principal will commence six years from the date of disbursement in equal monthly installments, continuing until full settlement. Interest expense accrues from the disbursement date and is payable on quarterly basis, at the Company's discretion. The contractual interest rate will remain fixed throughout the term of the loan. The loan is recognized initially at fair value, net of directly attributable transaction costs, if any, and is subsequently measured at amortized cost using the effective interest method, in compliance with IFRS 9 – Financial Instruments.

15.3.1 The Company has obtained an unsecured loan facility consisting of two disbursements: Rs. 4 million on September 12, 2024 and Rs. 6 million on September 16, 2024, carrying a fixed annual interest rate of 15% on the outstanding principal balance. The agreed interest rate of 15% represents a materially market-based rate, negotiated directly between the Company and the lender. The loan does not contain any penalties for late payments, conversion rights, or other embedded derivatives. The facility was obtained with the approval of the Board of Directors and is structured as an unsecured lending arrangement. In accordance with the agreed terms, repayment of the principal will commence after a grace period of five years, in equal monthly installments of Rs. 0.347 million, continuing until the full settlement of the loan. Interest expense will accrue from the respective disbursement dates and will be payable on quarterly basis, at the Company's discretion, in accordance with the loan agreement. The contractual interest rate will remain fixed throughout the term of the loan. The loan is initially recognized at fair value, net of directly attributable transaction costs, if any, and is subsequently measured at amortized cost using the effective interest method, in compliance with IFRS 9 – Financial Instruments.

16 DEFERRED TAX LIABILITY

	Note	2026	2025
Deferred tax liability	**16.1**	**89,452,820**	104,388,462
		89,452,820	104,388,462

16.1 Analysis of change in deferred tax

The balance of deferred tax is in respect of following temporary differences:

Deferred tax liabilities / (assets)	Balance as at July 01, 2025	Recognised in		Balance as at June 30, 2026
		P&L	OCI	
	-----(Rupees)-----			
Effect of taxable / (deductible) temporary differences				
Unabsored depreciation losses	(5,669,078)	(5,079,223)	-	**(10,748,301)**
Property, plant and equipment	122,192,336	(10,589,311)	(206,666)	**111,396,359**
Provision for gratuity	(125,469)	(1,208,208)	(466,803)	**(1,800,480)**
Provision for ECL	-	(1,382,174)		**(1,382,174)**
Tax credits	(12,009,327)	3,996,743	-	**(8,012,584)**
	104,388,462	(14,262,173)	(673,469)	**89,452,820**

		Note	2026 (Rupees)	2025 (Rupees)
17	**PROVISION FOR GRATUITY**			
	Provision for gratuity	17.1	**6,208,550**	2,411,677
			6,208,550	2,411,677

17.1 The Company operates a defined benefit obligation comprising an un-funded gratuity scheme for its permanent employees.

17.1.1 Amounts recognised in statement of financial position

	2026	2025
Present value of defined benefit obligation	**6,208,550**	2,411,677
Benefits due but not paid - recognised as current liability	-	-
Net liability recognised in statement of financial position	**6,208,550**	2,411,677

17.1.2 Movement in present value of defined benefit obligation

	2026	2025
Obligation at the beginning of the year	**2,411,677**	1,979,027
Current service cost	**4,457,198**	2,270,933
Interest cost	**141,686**	149,241
Benefits paid during the year	**(2,411,677)**	(1,934,451)
Actuarial (gain) / loss during the year	-	(16,264)
Experience adjustments	**1,609,666**	(36,809)
Obligation at the end of the year	**6,208,550**	2,411,677

17.1.3 Movement in liability

	2026	2025
At the beginning of the year	**2,411,677**	1,979,027
Charge for the year	**4,598,884**	2,420,174
Remeasurements chargeable in other comprehensive income	**1,609,666**	(53,073)
Benefits paid	**(2,411,677)**	(1,934,451)
At the end of year	**6,208,550**	2,411,677

17.1.4 Amount recognised in statement of profit or loss

	2026	2025
Current service cost	**4,457,198**	2,270,933
Interest cost	**141,686**	149,241
	4,598,884	2,420,174

17.1.5 Allocation of expense during the year

	2026	2025
Cost of revenue	**3,909,051**	2,178,156
Administrative expenses	**689,833**	242,018
	4,598,884	2,420,174

17.1.6 Amount charged to other comprehensive income

	2026	2025
Actuarial (gains) / losses from changes in financial assumptions	-	(16,264)
Experience adjustments	**1,609,666**	(36,809)
	1,609,666	(53,073)

17.1.7 Estimated expense to be charged in P&L in FY 2027

The estimated expense to be charged in P&L in FY 27 in respect of current service is Rs. 6,938,055 and Rs. 630,143 in respect of interest cost on defined benefit obligation.

17.1.8 Principle actuarial assumptions used at the reporting date were as follows:

	2026	2025
Discount rate used for interest cost in profit and loss statement	**11.75%**	14.75%
Discount rate used for year end obligation	**11.75%**	11.75%
Future salary increase per annum	**10.75%**	10.75%
Mortality rates	**SLIC 2001-2005 Setback 1 Year**	SLIC 2001-2005 Setback 1 Year
Withdrawal factor	**Age based**	Age based
Retirement age of the employee	**60**	60

As at June 30, 2026, the weighted average duration of defined benefit obligation was 6 years (2025: 6 years)

17.1.9 Sensitivity analysis

If the significant actuarial assumptions used to estimate the present value of liability at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the liability as at June 30, 2026 would have been as follows:

	Due to change in assumptions	
	2026 (Rupees)	2025 (Rupees)
Discount rate + 100 bps	**5,879,886**	2,282,593
Discount rate - 100 bps	**6,580,711**	2,556,830
Salary increase + 100 bps	**6,595,233**	2,561,232
Salary decrease - 100 bps	**5,860,687**	2,276,281

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

17.1.10 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Interest rate risk:

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds.

Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk:

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks:

i) Mortality risk: The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

ii) Withdrawal risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk:
The risk of the investment underperforming and being not sufficient to meet the liabilities.

		Note	2026 (Rupees)	2025 (Rupees)
18	**TRADE AND OTHER PAYABLES**			
	Trade payables		**184,431,677**	142,082,199
	Accrued liabilites		**41,741,588**	36,296,417
	Advance from customers / Contract liabilities	**18.1**	**7,016,088**	20,394,651
	Other payables		**3,427,274**	4,373,239
	Sales tax payable		**1,551,258**	4,562,308
	Income tax payable - employees		**182,974**	80,544
	Income tax payable		**-**	
			238,350,859	207,789,358

18.1 Advance from customers / contract liabilities as at the reporting date are expected to be recognized as revenue by the end of next financial year.

		Note	2026 (Rupees)	2025 (Rupees)
19	**ACCRUED MARKUP ON LONG TERM LOANS**			
	On long term loans from banking company		**29,876,434**	29,876,434
	On short term borrowings from banking company		**2,799,894**	2,799,894
	On long term loans from other than banking company	**19.1 & 19.2**	**616,367**	850,001
			33,292,695	33,526,329
19.1	Markup accrued on loan from Mr. Sohail Ahmed		**491,367**	725,000
19.2	Markup accrued on loan from Mr. Sardar Muhammad Asif Nakai		**125,000**	125,001
			616,367	850,001
20	**LOAN FROM RELATED PARTY - UNSECURED**			
	Loan from Chief Executive Officer - Mr. Khawar Almas Khawaja	**20.1**	**4,561,600**	7,661,600

20.1 This represents loan provided by the Chief Executive Officer of the Company for the purpose of meeting working capital requirements. The loan is contractual, unsecured, interest free and payable on demand.

		2026 (Rupees)	2025 (Rupees)
20.2	**Movement in loan from related party - unsecured**		
	Balance at the start of the year	**7,661,600**	7,901,600
	Additional loan obtained during the year	**-**	-
	Repayment during the year	**(3,100,000)**	(240,000)
	Balance at the end of the year	**4,561,600**	7,661,600

21 **OVERDUE PORTION OF SHORT TERM BORROWINGS - SECURED**

From banking company (secured)
These represent short term finances utilised under interest/markup arrangements from banking company - National Bank of Pakistan.

	Note	2026 (Rupees)	2025 (Rupees)
National Bank of Pakistan			
Cash finance (pledge)	**21.1**	**4,671,962**	4,671,962
Trust receipt	**21.2**	**19,848,336**	19,848,336
		24,520,298	24,520,298

21.1 The Company had availed a Cash Finance/Packing Finance (Pledge) facility with a sanctioned limit of Rs. 40.6 million. The facility was designated for working capital financing. Securities comprised of liens on export letters of credit and firm contracts, a pledge of cotton bales, yarn, and grey cloth, and personal guarantees from present director Mr. Khawar Almas Khawaja and ex-directors Mr. Abdul Aziz, and Mr. Muhammad Zafar Saeed. The applicable mark-up was the SBP Export Refinance Rate (with standard spread) where refinance was availed, or 6 Months KIBOR plus 2.00% per annum (with a floor of 7.5% and no cap) otherwise. The tenure was 180 days from the date of each availment, expiring on 31 December 2008, with repayment to be effected through negotiation or repatriation of export proceeds or internal cash flows. The Company's failure to adhere to the agreed repayment terms has resulted in the National Bank of Pakistan filing a recovery suit, which is currently pending before the Honorable Lahore High Court, as further disclosed in Note 23.1.2. Consequently, mark-up on these facilities has been suspended, and no further mark-up is charged on the outstanding amounts.

21.2 The Company had availed a Trust Receipt facility with a sanctioned limit of Rs. 20 million, classified as an independent limit, to finance working capital requirements. The facility was secured against fixed assets of the Company as disclosed in Note 5.5.3, a first charge of Rs. 220 million over entire current assets, and personal guarantees from present director Mr. Khawar Almas Khawaja and ex-directors Mr. Abdul Aziz, and Mr. Muhammad Zafar Saeed, the then incoming sponsoring directors. The mark-up is set at 6 Months KIBOR plus 2.00% per annum, with a floor of 7.5% and no cap. The tenure expired on 31 December 2008, with repayment to be effected through internal cash flows. The Company's failure to adhere to the agreed repayment terms has resulted in the National Bank of Pakistan filing a recovery suit, which is currently pending before the Honorable Lahore High Court, as further disclosed in Note 23.1.2. Consequently, mark-up on these facilities has been suspended, and no further mark-up is charged on the outstanding amounts.

22 OVERDUE PORTION OF LONG TERM LOANS - SECURED

Secured - National Bank of Pakistan			
Overdue portion:			
Demand finance - I	**22.1**	**29,531,250**	29,531,250
Demand finance - II	**22.2**	**17,857,143**	17,857,143
		47,388,393	47,388,393

22.1 The Company had obtained a Demand Finance facility of Rs. 25 million, with an outstanding balance of Rs. 17.857 million, to restructure long-term finances previously availed from Bankers Equity Limited. The facility was secured against assets of the Company as disclosed in Note 5.5.1 and personal guarantees of the present director Mr. Khawar Ahsan Khawaja, and ex-directors Mr. Abdul Aziz, and Mr. Muhammad Zafar Saeed. It carried mark-up at the State Bank of Pakistan's discount rate with a floor of 7.5% per annum, recoverable quarterly. Repayment was structured in 20 equal quarterly installments of Rs. 0.893 million each, commencing June 30, 2007, and ending March 31, 2012. Overdue installments as of March 31, 2008, were required to be settled immediately upon the transfer of management on February 6, 2008. In case of default, additional mark-up at 3% over three-month KIBOR was chargeable on the overdue amount. The Company's failure to adhere to the agreed repayment terms has resulted in the National Bank of Pakistan filing a recovery suit, which is currently pending before the Honorable Lahore High Court, as further disclosed in Note 23.1.2. Consequently, mark-up on these facilities has been suspended, and no further mark-up is charged on the outstanding amounts.

22.2 The Company had obtained a Demand Finance facility of Rs. 35 million, with an outstanding balance of Rs. 29.531 million, to finance the Balancing, Modernization and Replacement (BMR) of its project. The facility was secured against assets of the Company as disclosed in Note 5.5.2 and personal guarantees of the present director Mr. Khawar Almas Khawaja and ex-directors Mr. Abdul Aziz, and Mr. Muhammad Zafar Saeed. It carried mark-up at the State Bank of Pakistan's discount rate, with a floor of 7.5% per annum, recoverable on a quarterly basis. Repayment was structured in 27 equal quarterly installments of Rs. 1.094 million each, commencing on March 31, 2007, and ending on September 30, 2013, to be serviced through internal cash generation of the Company.

Overdue installments as of March 31, 2008, were required to be settled immediately upon the transfer of management on February 6, 2008. In the event of default, additional mark-up at 3% over three-month KIBOR was chargeable on the overdue principal amount until full repayment.. The Company's failure to adhere to the agreed repayment terms has resulted in the National Bank of Pakistan filing a recovery suit, which is currently pending before the Lahore High Court, as further disclosed in Note 23.1.2. Consequently, mark-up on these facilities has been suspended, and no further mark-up is charged on the outstanding amounts.

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

	Name of the court / authority	Description of the factual basis of the proceeding and relief sought.	Principal parties	Date instituted
23.1.1	Appellate Tribunal Inland Revenue	An order was passed under Section 122(1)/122(5) of the Income Tax Ordinance, 2001, for the tax year 2014, raising a demand of Rs. 38.29 million. The company successfully appealed this demand with the CIR Appeal, and no income tax was deemed payable. The Department subsequently preferred a second appeal before the honorable Appellate Tribunal Inland Revenue (ATIR), which was decided in favor of the company on 15.11.2023. The ATIR has directed the assessing officer to pass a fresh and speaking order, and the assessment is still pending. As per the tax advisor, there is no likelihood of any tax liability arising.	Federal Board of Revenue vs the Company	15th November, 2023
23.1.2	Lahore High Court	The Company is a defendant in a lawsuit filed by the National Bank of Pakistan for the recovery of Rs. 103.943 million. A decree was issued against the Company on 11.11.2016 by the Single Bench of the Lahore High Court, for the claimed amount along with costs. The Company has preferred an appeal against this decree, which is currently pending adjudication before the Division Bench of the Lahore High Court Lahore. In addition, two other appeals, RFA No. 05/2017 and RFA No. 59/2017, filed by Muhammad Zafar Saeed and the National Bank of Pakistan, respectively, are also pending adjudication against the same judgment and decree.Furthermore, the Execution No. 33421/2017 related to the judgment and decree dated 11.11.2016 is also pending adjudication before the Lahore High Court Lahore. The outcome of this case is dependent upon the decisions of the pending appeals. The management is vigorously contesting the case, and the final outcome cannot be determined at this time. The recovery amount has been disclosed as current liabilities under Note 19, 21 and 22 respectively.	National Bank of Pakistan vs. the Company	11th November, 2016
23.1.3	Lahore High Court	The Securities and Exchange Commission of Pakistan (SECP) had filed Complaint No. 21/2015 against the Company under Section 230(7) read with Section 474(l) and Section 476(4) of the Companies Ordinance, 1984, before the Sessions Court, Lahore. The Hon'ble Sessions Court Judge, vide order dated 29 July 2024, dismissed the said complaint. Subsequently, SECP, Lahore filed Writ Petition No. 65419/2024 under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, before the Hon'ble Lahore High Court, seeking to set aside the aforementioned order of the Sessions Court. The matter is currently pending adjudication before the Hon'ble Lahore High Court. Based on the facts of the case and the advice of the Company's legal counsel, the management is confident that the ultimate outcome of this matter will be favorable to the Company, and accordingly, no provision has been recognized in these financial statements in respect of this matter.	Security and Exchange Commission of Pakistan (Lahore) vs the Company	October, 2024

23.2 Commitments:

There are no commitments as at June 30, 2026 (2025: Nil).

		Note	2026 (Rupees)	2025 (Rupees)
24	**REVENUE - NET OF TAX**			
	Gross revenue		**1,073,906,754**	1,133,680,497
	Less: sales tax		**(163,816,285)**	(172,934,313)
	Net revenue		**910,090,469**	960,746,184

24.1 Disaggregation of revenue

The Company's gross revenue disaggregated by major product lines is as follows:

	2026 (Rupees)	2025 (Rupees)
Product sales		
Fabric sales	**395,285,464**	411,259,015
Sales tax	**(60,297,783)**	(62,734,426)
Fabric sales - net	**334,987,681**	348,524,589
Yarn sales	**543,129,067**	596,782,168
Sales tax	**(82,850,197)**	(91,034,568)
Yarn sales - net	**460,278,870**	505,747,600
Waste sales	**-**	3,001,342
Sales tax	**-**	(457,832)
Waste sales - net	**-**	2,543,510
Conversion icome		
Tolling services	**135,492,223**	122,637,972
Sales tax	**(20,668,305)**	(18,707,487)
Tolling services - net	**114,823,918**	103,930,485

24.2 Revenue from contracts with customers relates to local Pakistan market and represents sale of fabric, yarn, waste, and tolling services. Timing of revenue recognition is at point in time for sale of goods except tolling services. Revenue for tolling services is recorded as respective performance obligation is met.

		Note	2026 (Rupees)	2025 (Rupees)
25	**COST OF REVENUE**			
	Raw material consumed	**25.1**	**480,825,696**	533,220,691
	Stores, spares and loose tools consumed		**34,069,770**	26,537,033
	Salaries, wages and other benefits	**25.2**	**107,983,007**	98,920,804
	Fuel and power		**213,990,820**	222,141,223
	Doubling and sizing charges		**795,001**	648,000
	Repair and maintenance		**1,045,790**	613,100
	Entertainment		**2,388,915**	1,821,600
	Insurance expense		**1,071,801**	1,019,678
	Depreciation	**5.3**	**35,199,087**	36,154,520
			877,369,887	921,076,649
	Work in process inventory at beginning of the year		**4,462,437**	4,939,706
	Work in process inventory at end of the year		**(5,565,505)**	(4,462,437)
			(1,103,068)	477,269
	Cost of goods manufactured		**876,266,819**	921,553,918
	Stock of finished goods at the beginning of the year		**28,021,571**	34,055,403
	Stock of finished goods at the end of the year		**(20,586,725)**	(28,021,571)
			7,434,846	6,033,832
			883,701,665	927,587,750
25.1	**Raw material consumed**			
	Raw material inventory at beginning of the year		**37,112,130**	34,108,512
	Raw material purchases		**495,251,849**	533,775,705
	Carriage inward & clearing expenses		**-**	2,448,604
	Raw material available for use		**532,363,979**	570,332,821
	Raw material inventory at end of the year		**(51,538,283)**	(37,112,130)
			480,825,696	533,220,691

25.2 Salaries, wages and other benefits include Rs. 3.91 million (2025: Rs. 2.18 million) in respect of staff retirement benefits.

		Note	2026 (Rupees)	2025 (Rupees)
26	**ADMINISTRATIVE EXPENSES**			
	Directors' remuneration		**6,216,976**	4,400,000
	Salaries, wages and other benefits	**26.1**	**20,859,525**	19,646,239
	Travelling and conveyance		**563,750**	539,430
	Entertainment		**3,403,685**	2,591,629
	Postage and stamps		**418,470**	372,832
	Printing and stationery		**684,281**	544,149
	Communication		**303,489**	340,161
	Repairs and maintenance		**1,211,601**	770,018
	Rent, rates and taxes	**26.2**	**2,965,000**	2,636,086
	Utilities		**1,439,074**	1,562,139
	Fee and subscription		**472,670**	669,518
	Legal and professional charges		**787,280**	2,759,440
	Advertisement		**114,600**	62,400
	Depreciation	**5.3**	**1,913,508**	2,019,485
	Allowance for expected credit loss	**9.1 & 11.1**	**3,706,980**	2,958,654
	Miscellaneous expenses		**812,925**	778,903
	Auditors' remuneration	**26.3**	**477,750**	477,750
			46,351,564	43,128,833

26.1 Salaries, wages and other benefits include Rs. 0.69 million (2025: Rs. 0.24 million) in respect of staff retirement benefits.

26.2 The Company has elected to apply the short-term lease exemption available under IFRS 16, Leases. Accordingly, leases with a lease term of 12 months or less are not recognized as a right-of-use asset and corresponding lease liability. Lease payments relating to such leases are recognized as an expense on a straight-line basis over the lease term.

			2026 (Rupees)	2025 (Rupees)
26.3	**Auditor's remuneration**			
	Annual audit fee		**400,000**	400,000
	Half yearly review		**55,000**	55,000
	Sales tax		**22,750**	22,750
			477,750	477,750
27	**SELLING AND DISTRIBUTION EXPENSES**			
	Employee salaries		**1,800,000**	1,800,000
			1,800,000	1,800,000
28	**FINANCE COST**			
	Bank charges		**108,898**	36,985
	Finance cost on long term loans		**7,400,004**	6,208,335
			7,508,902	6,245,320
29	**LEVY**			
	Levy on revenue	**30.1**	**8,774,336**	12,009,327
			8,774,336	12,009,327
30	**DEFERRED TAX (EXPENSE) / INCOME**			
	Deferred tax (expense) / income		**14,262,173**	(22,202,535)
	Income tax expense		**(2,601,795)**	12,009,327
			11,660,378	(10,193,208)

30.1 During the year, no tax reconciliation is required as levy is being paid on amount at the rate of 1.25% of revenue.

31 LOSS PER SHARE - BASIC & DILUTED

31.1 Basic earning per share

	2026	2025
Loss for the year	**(26,385,620)**	(40,218,254)
Weighted average number of ordinary shares in issue during the year	**13,271,600**	13,271,600
Loss per share - basic	**(1.99)**	(3.03)

31.2 Diluted earning per share

There is no dilutive effect on the basic earning per share as at the Company does not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025.

32 FINANCIAL INSTRUMENTS

32.1 Financial assets and liabilities

Financial assets			
Maturity up to one year			
Trade receivables - considered good	9	**157,802,280**	155,550,039
Advances to suppliers and staff	10	**365,000**	145,000
Tax refunds due from the government	11	**-**	-
Bank balances	12		
- Local currency		**30,065,639**	18,312,498
		188,232,919	174,007,537
Financial liabilities			
Maturity up to one year			
Trade and other payables	18	**238,350,859**	207,789,358
Accrued markup on long term loans	19	**33,292,695**	33,526,329
Loan from related party - unsecured	20	**4,561,600**	7,661,600
Overdue portion of short term borrowings - secured	21	**24,520,298**	24,520,298
Overdue portion of long term loans - secured	22	**47,388,393**	47,388,393
		348,113,845	320,885,978

32.2 Credit quality of financial assets

The credit quality of the Company's financial assets is assessed by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA), VIS Credit Rating Limited (VIS), Standard and Poor's and Moody's and other international credit rating agencies. The counter parties for which external credit ratings were not available have been assessed by reference to internal credit rating determined based on their historical information for any defaults in meeting obligations.

	Note	2026 (Rupees)	2025 (Rupees)
Counterparties without external credit ratings			
Counterparties with no defaults in past			
Security deposits	6	**360,000**	360,000
Trade receivables - considered good	9	**157,802,280**	155,550,039
Advances to suppliers and staff	10	**365,000**	145,000
Tax refunds due from the government	11	**-**	-
		158,527,280	156,055,039
Counterparties with external credit ratings			
Bank balances			
Meezan Bank Limited		**17,987,657**	14,912,402
Bank Alfalah Limited		**995,102**	1,182,165
Habib Metropolitan Bank Limited		**2,082,880**	2,217,931
United Bank Limited		**9,000,000**	-
		30,065,639	18,312,498

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company faces various financial risks, including market risks (such as interest rate risk), credit risk, and liquidity risk. The Company's risk management strategy aims to secure cost-efficient funding, minimize earnings volatility, and optimize returns for shareholders. Risk management is operating in accordance with policies approved by senior management. The Board of Directors holds ultimate responsibility for establishing and supervising the Company's risk management framework and is also tasked with the development and ongoing monitoring of risk management policies. The Company's risk management policies are designed to identify, assess, and mitigate risks, establish appropriate risk limits, and ensure adherence to these limits. These policies and systems are reviewed regularly to ensure they remain relevant in light of changing market conditions and the Company's evolving activities. The Company promotes a structured control environment, where all employees are trained to understand their roles and responsibilities in managing risk. The Audit Committee is responsible for overseeing management's compliance with the Company's risk management policies and procedures. It also assesses the effectiveness of the risk management framework in addressing the Company's risks. The Audit Committee is supported by an outsourced internal audit firm, which conducts both routine and ad-hoc reviews of risk management controls and procedures, with findings presented to the audit committee. The following notes provide a detailed explanation of the Company's financial risk exposures, their impact on financial performance, and the strategies employed to manage these risks.

33.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board.

33.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as it does not transact in foreign currencies.

33.1.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company is exposed to interest rate risk arising from obligations under long term loans obtained from individuals other than banking companies.

Cashflow analysis

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

Financial liabilities	Note	Effective rate 2026	Effective rate 2,025	2026 Rupees	2025 Rupees
Fixed Rate Instruments					
Long term loan - unsecured	**15**	**18%**	**18%**	**25,000,000**	25,000,000
Long term loan - unsecured	**15**	**14%**	**14%**	**10,000,000**	10,000,000
Long term loan - unsecured	**15**	**15%**	**15%**	**10,000,000**	10,000,000
Overdue portion of short term borrowings - secured	**21.1 & 21.2**	**0%**	0%	**24,520,298**	24,520,298
Overdue portion of long term loans - secured	**22.1 & 22.2**	**0%**	0%	**47,388,393**	47,388,393

Fair value sensitivity analysis for fixed rate instruments

The Company is not exposed to interest rate risk on its fixed rate instruments as 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

The Company is not exposed to variable interest rate risk. Therefore, a reasonably possible change in interest rates at the reporting date would have no material impact on the Company's profit or loss

Market price risk

The Company does not possess any investments which are classified at fair value through profit or loss. Hence, the Company is not exposed to market risk relevant to investments classified at fair value through profit or loss.

33.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate as a result 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market. As at 30 June 2026, the Company is not exposed to any significant other price risk as it has no such financial instruments.

33.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to discharge its contractual obligations. The Company is exposed to financial assets as listed in the below sub-sections.

33.2.1 Credit risk analysis

Credit risk represents the accounting loss that would be recognized on the reporting date if counter parties failed completely to perform as contracted. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	Note	2026 (Rupees)	2025 (Rupees)
Classes of financial assets - carrying amounts			
Security deposits	6	**360,000**	360,000
Trade receivables - considered good	9	**157,802,280**	155,550,039
Advances to suppliers and staff	10	**365,000**	145,000
Tax refunds due from the government	11	**-**	-
Bank balances	12	**30,065,639**	18,312,498

33.2.2 Counterparties without external credit ratings

- Security deposits

Security deposits are held under contractual agreements and are fully refundable upon the fulfillment of the underlying terms. These deposits are not subject to significant credit risk, as there is no history or expectation of default. Consequently, they are not considered credit-impaired.

- Trade receivables - considered good

The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is significant, and accordingly, an impairment charge has been recognized. For counterparties without external credit ratings, their internal credit ratings, determined from historical data on defaults in meeting obligations, were used to assess the potential impairment.

- Trade receivables - considered good	**Exposure at default (Rupees)**	**Expected Credit Loss (Rupees)**	**Expected Credit Loss %**
June 30, 2026	**162,568,397**	**3,706,980**	**24.37%**
Past due			
0-90 days	**124,955,143**	**-**	**0.00%**
91-180 days	**6,268,282**	**12,658**	**0.20%**
181-270 days	**2,445,801**	**42,068**	**1.72%**
271-360 days	**7,916,433**	**641,231**	**8.10%**
361-450 days	**20,982,738**	**3,011,023**	**14.35%**
Above 451 days	**-**	**-**	**0.00%**
June 30, 2025	155,550,039	1,059,137	69.83%

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provisions rates are based on days past due. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

- Advances to suppliers and staff	**Exposure at default (Rupees)**	**Expected Credit Loss (Rupees)**	**Expected Credit Loss %**
June 30, 2026	**365,000**	**-**	**-**
June 30, 2025	145,000	-	-

Advances to staff are short-term financial assets of the Company that are expected to be recovered through future payroll deductions within twelve months of the disbursement. These advances are provided to employees who maintain a stable employment relationship with the Company, and no indications of default or non-recoverability have been identified. As such, these advances are not considered credit-impaired as per application of ECL and are immaterial amounts to the Company.

	Exposure at default	Expected Credit Loss	Expected Credit Loss
- Tax refunds due from the government	**(Rupees)**	**(Rupees)**	**%**
June 30, 2026	-	-	-
Not due			
Past due	-	-	-
0-90 days	-	-	-
91-180 days	-	-	-
181-270 days	-	-	-
271-360 days	-	-	-
361-450 days	-	-	-
Above 451 days	-	-	-
June 30, 2025	1,899,517	1,899,517	100%

33.2.3 Counterparties with external credit ratings

- Bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. The Company maintains its bank balances with financial institutions that possess strong credit ratings. After a thorough evaluation, the management confirms that there is no indication of credit impairment related to these bank balances.

Financial Institutions	**Ratings**		
	Agency	**Short Term**	**Long Term**
Cash and Bank Balances			
Meezan Bank Limited	VIS	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A1+	AAA

The Company holds its bank balances in institutions with high credit ratings from recognized rating agencies. These ratings reflect the banks' strong financial health, stability, and low default risk, minimizing the likelihood of credit impairment.

33.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and liquid financial assets.

The Company finances its operations through equity to minimize risk and uses various methods to monitor cash flow needs. It ensures sufficient cash is available to meet operational expenses and financial obligations, excluding unpredictable extreme events like natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows except provision for gratuity which represent discounted long term cash flows.

	Note	Carrying amount	Contractual cashflows	Less than 1 year	Between 1 to 20 years
			Rupees		
As at 30 June 2026					
Long term loans - unsecured	**15**	**45,000,000**	**45,000,000**	**-**	**45,000,000**
Provision for gratuity	**17**	**6,208,550**	**6,208,550**	**-**	**6,208,550**
Trade and other payables	**18**	**238,350,859**	**238,350,859**	**238,350,859**	**-**
Accrued markup on long term loans	**19**	**33,292,695**	**33,292,695**	**33,292,695**	**-**
Loan from related party - unsecured	**20**	**4,561,600**	**4,561,600**	**4,561,600**	**-**

	Note	Carrying amount	Contractual cashflows	Less than 1 year	Between 1 to 20 years
		Rupees			
As at 30 June 2026					
Overdue portion of short term borrowings - secured	**21**	**24,520,298**	**24,520,298**	**24,520,298**	**-**
Overdue portion of long term loans - secured	**22**	**47,388,393**	**47,388,393**	**47,388,393**	**-**
As at 30 June 2025					
Long term loans - unsecured	15	45,000,000	45,000,000	-	45,000,000
Provision for gratuity	17	2,411,677	2,411,677	-	2,411,677
Trade and other payables	18	207,789,358	207,789,358	207,789,358	-
Accrued markup on long term loans	19	33,526,329	33,526,329	33,526,329	-
Loan from related party - unsecured	20	7,661,600	7,661,600	7,661,600	-
Overdue portion of short term borrowings - secured	21	24,520,298	24,520,298	24,520,298	-
Overdue portion of long term loans - secured	22	47,388,393	47,388,393	47,388,393	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

34 FAIR VALUE MEASUREMENTS

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

34.1 Fair value hiearchy

	2026 (Rupees)		
	Level 1	**Level 2**	**Level 3**
Assets measured at fair value			
Revalued property, plant and equipment			
Freehold land		**71,640,000**	
Building on freehold land			**154,132,500**
Plant and machinery			**250,000,000**

	2025 (Rupees)		
	Level 1	Level 2	Level 3
Assets measured at fair value			
Revalued property, plant and equipment			
Freehold land		87,600,000	
Building on freehold land			174,271,847
Plant and machinery			261,545,916

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in note 14 and note 14.1, respectively to these financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

34.2 Valuation techniques used to derive level 2 and level 3 fair values

The Company obtains independent valuation for its certain classes of property, plant and equipment (more particularly described below) at least every five years. At the end of each reporting year, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of items of similar make/ origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Description	**2026 Rupees**	2025 Rupees	**Significant unobservable inputs**	**Quantitative data / range and relationship to fair value**
Revalued freehold land	**71,640,000**	87,600,000	Market transactions of similar industrial/agricultural land in the vicinity, adjusted for location, accessibility, and development potential.	Cost of acquisition of similar plant and machinery with equivalent technology, adjusted for condition, usage, and obsolescence. Suitable depreciation rates applied to reflect remaining useful life.
Revalued buildings on freehold land	**154,132,500**	174,271,847	Cost of construction of similar buildings, adjusted for physical condition, remaining useful life, and functional utility. Suitable depreciation rates were applied to arrive at depreciated replacement cost.	The market value has been determined using depreciated replacement cost method. Higher estimated cost of new construction increases fair value; higher depreciation due to age/condition decreases fair value.

Description	**2026 Rupees**	2025 Rupees	**Significant unobservable inputs**	**Quantitative data / range and relationship to fair value**
Revalued plant and machinery	**250,000,000**	261,545,916	Cost of acquisition of similar plant and machinery with equivalent technology, adjusted for condition, usage, and obsolescence. Suitable depreciation rates applied to reflect remaining useful life.	The market value has been determined using depreciated replacement cost method. Higher cost of acquisition of comparable machinery increases fair value; higher depreciation (from age/obsolescence) decreases fair value.

34.3 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company's financial assets consist of trade receivables, advances to staff, security deposits, and cash and bank balances. Its financial liabilities consist of long term loans, accrued markup on loans, overdue portion of long term loans, overdue portion of short term borrowings, deferred liabilities and trade and payables. The above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management assessed that fair value of trade receivables, advances to staff, cash and bank balances, accrued markup on loans and trade and payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments by categories

	Amortized cost		Fair value through profit or loss		Total	
	2026	2025	**2026**	2025	**2026**	2025
				(Rupees)		
Financial assets as per statement of financial position						
Security deposits	**360,000**	360,000	-	-	**360,000**	360,000
Trade receivables - considered good	**157,802,280**	155,550,039	-	-	**157,802,280**	155,550,039
Advances to suppliers and staff	**365,000**	145,000	-	-	**365,000**	145,000
Tax refunds due from the government	**-**	1,899,517	-	-	**-**	1,899,517
Bank balances	**30,065,639**	18,312,498	-	-	**30,065,639**	18,312,498
	188,592,919	176,267,054	**-**	**-**	**188,592,919**	176,267,054

	Amortized cost		Fair value through profit or loss		Total	
	2026	2025	**2026**	2025	**2026**	2025
				(Rupees)		
Financial liabilities as per statement of financial position						
Long term loans - unsecured	**45,000,000**	45,000,000	-	-	**45,000,000**	45,000,000
Trade and other payables	**238,350,859**	207,789,358	-	-	**238,350,859**	207,789,358
Accrued markup on long term loans	**33,292,695**	33,526,329	-	-	**33,292,695**	33,526,329
Loan from related party - unsecured	**4,561,600**	7,661,600	-	-	**4,561,600**	7,661,600
Overdue portion of short term borrowings - secured	**24,520,298**	24,520,298	-	-	**24,520,298**	24,520,298
Overdue portion of long term loans - secured	**47,388,393**	47,388,393	-	-	**47,388,393**	47,388,393
	393,113,845	365,885,978	-	-	**393,113,845**	365,885,978

35 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to maintain a strong capital base to support the sustained development and operational efficacy of its businesses.

The Company's capital includes issued share capital, accumulated loss and surplus on revaluation of fixed assets. As at reporting date the capital of the Company is as follows:

	Note	2026 (Rupees)	2025 (Rupees)
Issued share capital	13	**132,716,000**	132,716,000
Accumulated loss		**(265,376,782)**	(260,392,153)
		(132,660,782)	(127,676,153)

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings. The Company's capital signifies equity as reported in statement of financial position and includes issued share capital, accumulated losses and surplus on revaluation of fixed assets.

The Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2026 and 2025 were as follows:

	Note	2026 (Rupees)	2025 (Rupees)
Long term loans - unsecured	15	**45,000,000**	45,000,000
Trade and other payables	18	**238,350,859**	207,789,358
Accrued markup on long term loans	19	**33,292,695**	33,526,329
Loan from related party - unsecured	20	**4,561,600**	7,661,600
Overdue portion of short term borrowings - secured	21	**24,520,298**	24,520,298
Overdue portion of long term loans - secured	22	**47,388,393**	47,388,393
		393,113,845	365,885,978
Less: cash and bank balances	12	**(30,172,487)**	(18,520,231)
Net debt		**362,941,358**	347,365,747
Total equity		**289,654,673**	333,649,131
Total equity and debt		**652,596,031**	681,014,878
		55.62%	51.01%

The Company finances its operations through equity, management of working capital and external loans with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

36 RELATED PARTY TRANSACTIONS

Details of transactions with the related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Relationship	Transactions during the year	2026	2025
Khawar Almas Khawaja	Chief Executive Officer	Remuneration	**4,800,000**	4,400,000
Khawar Almas Khawaja	Chief Executive Officer	Loan repayment	**3,100,000**	240,000
Muhammad Alamgir	Executive Director	Remuneration	**1,416,976**	-

36.1 Movement in Related Party Transactions

Name	Opening	Addition	Deletion	Closing
	(Rupees)			
Khawar Almas Khawaja	7,661,600	-	3,100,000	**4,561,600**

36.2 Due to shareholders

The Company took an interest-freeloan from its Chief Executive Officer to address the financial needs of the Company. The loan will be repaid to the CEO, either in a lump sum or in installments, with no objections from any other directors. However, the loan might be demanded at any time by the CEO of the Company.

Name	Opening	Addition	Deletion	Closing
	(Rupees)			
Khawar Almas Khawaja	7,661,600	-	3,100,000	**4,561,600**

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to chief executive, directors and executives of the Company is as follows:

		2026			2025		
		Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	Notes	(Rupees)					
Managerial remuneration	37.1	**4,800,000**	**1,416,976**	**24,043,484**	4,400,000	-	20,570,024
Fees	37.2	**-**	**-**	**-**	-	-	-
Post employment benefits	37.3	**-**	**-**	**1,334,799**	-	-	1,716,203
Other long term benefits		**-**	**-**	**-**	-	-	-
		4,800,000	**1,416,976**	**25,378,283**	4,400,000	-	22,286,227
Number of persons		**1**	**1**	**10**	1	1	9

37.1 The remuneration has been allocated as follows;

	2026			2025		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees)					
Cost of revenue	**-**	**-**	**8,279,454**	**-**	-	5,274,972
Administrative expenses	**4,800,000**	**1,416,976**	**15,764,030**	4,400,000	-	15,295,052
	4,800,000	**1,416,976**	**24,043,484**	4,400,000	-	20,570,024

37.2 No meeting fees were paid to any directors during the year.

37.3 The Company operates an unfundedgratuity scheme for its eligible employees. Provision for gratuity is made annually on the basis of actuary's estimate in accordance with the Company's policy.

38 NUMBER OF EMPLOYEES

	2026 (Numbers)	2025 (Numbers)
Total number of employees of the Company at the year end:		
Permanent	**114**	50
Contractual	**70**	136
Average number of employees of the Company during the year	**184**	177

39 PLANT CAPACITY AND PRODUCTION

	Units		
Weaving			
Looms installed	Nos.	**66**	66
Looms worked	Nos.	**50**	50
Production at normal capacity converted to 50 picks - 3 shifts per day	Sq. Mtrs.	**3,613,500**	3,613,500
Actual production at normal capacity converted to 50 picks - 3 (2025: 3) shifts per day	Sq. Mtrs.	**2,643,405**	2,456,857
Spinning			
Rotors installed	Nos.	**1,704**	1,704
Rotors worked for the year	Nos.	**1,416**	1,416
Rated capacity based on cotton converted to 10 count based on 3 shifts per day	Lbs.	**8,820,000**	8,820,000
Actual production converted to 10 count based on 3 (2025: 3) shifts per day	Lbs.	**6,870,000**	7,166,775

- Determining the exact production capacity in the textile industry is challenging, as it can vary widely depending on factors such as yarn count, rotor speed, twist levels, and the width and design of woven fabrics. In addition, capacity also changes with different production patterns.
- The Company's spinning section is currently operating on a self-production basis, whereas in prior years it functioned on a conversion basis. The weaving section, however, continues to operate under both self-production and conversion arrangements. During the period under review, neither section operated at full installed capacity, primarily due to working capital constraints, subdued market demand, and intermittent stoppages resulting from technical faults.

40 SEGMENT REPORTING

These financial statements have been prepared on the basis of single reportable segement and the principle classess of products are yarn, fabric and waste sales.

40.1 Total sales of the Company are made to customers within the country.

40.2 All non current assets of the Company as at June 30, 2026 are located inside Pakistan.

40.3 The Company's prinicple classes of products accounted for the following percentage of sales:

	2026 (Rupees)	2025 (Rupees)	**2026 (Percentage)**	2025 (Percentage)
Yarn sales	**334,987,681**	348,524,589	**36.81%**	36.28%
Fabric sales	**460,278,870**	505,747,600	**50.58%**	52.64%
Waste sales	**-**	2,543,510	**0.00%**	0.26%
	795,266,551	856,815,699	**87.39%**	89.18%

41 SHARIAH COMPLIANCE DISCLOSURE

In accordance with the requirements of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 1278(I) / 2024, the Company has disclosed its assets, liabilities, income and expenditure related to financing, investments and other income/expenses etc. between shariah and conventional elements as follows:

	2026			2025		
	Conventional	**Shariah compliant**	**Total**	Conventional	Shariah compliant	Total
			(Rupees)			
Statement of financial position - liabilities						
Accrued markup on loans	**33,292,695**	**-**	**33,292,695**	33,526,329	-	33,526,329
Statement of financial position - assets						
Bank balances	**3,077,982**	**26,987,657**	**30,065,639**	**-**	14,912,402	14,912,402
Statement of profit or loss						
Revenue - net	-	**910,090,469**	**910,090,469**	**-**	960,746,184	960,746,184

42 CORRESPONDING FIGURES

Figures have been rearranged and reclassified wherever necessary for the purpose of better comparison.

43 EVENTS AFTER THE END OF REPORTING PERIOD

There were no significant adjustable events subsequent to June 30, 2026, which may require an adjustment to the financial statements or additional disclosure.

44 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorized for issue on September 25, 2026.

45 GENERAL

Figures have been rounded off to the nearest Rupee.

Chief Executive | **Chief Financial Officer** | **Director**

FORM 20

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company **HAMID TEXTILE MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2026**

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
13	1	100	1,300
227	101	500	110,100
10	501	1,000	10,000
12	1,001	5,000	34,400
2	5,001	10,000	14,800
1	10,001	15,000	10,500
1	15,001	20,000	18,000
1	35,001	40,000	36,000
1	40,001	45,000	42,100
1	45,001	50,000	50,000
1	55,001	60,000	55,900
1	75,001	80,000	79,900
1	80,001	85,000	84,200
1	90,001	95,000	95,000
15	95,001	100,000	1,463,000
1	800,001	805,000	801,350
1	820,001	825,000	820,300
1	835,001	840,000	839,040
1	910,001	915,000	913,900
1	1,170,001	1,175,000	1,171,410
1	1,185,001	1,190,000	1,187,900
1	2,450,001	2,455,000	2,455,000
1	2,975,001	2,980,000	2,977,500
296			**13,271,600**

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,629,910	27.3510
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	-
2.3.3 NIT and ICP	42,100	0.3172
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	2,977,500	22.4351
2.3.5 Insurance Companies	146,000	1.1001
2.3.6 Modarabas and Mutual Funds	913,900	6.8861
2.3.7 Shareholders holding 10% or more	5,432,500	40.9333
2.3.8 General Public		
a. Local	5,562,190	41.9105
b. Foreign	-	-
2.3.9 Others (to be specified)		

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MOHAMMAD ALAMGIR	1,000	0.0075
2	MR. KHAWAR ALMAS KHAWAJA	2,455,000	18.4981
3	MRS. NIGHAT KHAWAR	1,000	0.0075
4	MRS. MOMINA KHAWAR ALI	1,171,410	8.8264
5	MRS. KHUSHBU AMMAD	500	0.0038
6	MR. MUHAMMAD MUSHTAQ	500	0.0038
7	MR. TAHIR GHAFOOR KHAN	500	0.0038
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		4,037,400	30.4214
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	BANKER EQUITY LIMITED	2,977,500	22.4351
2	MR. KHAWAR ALMAS KHAWAJA	2,455,000	18.4981
3	MR. AHSAN AFZAL	1,187,900	8.9507
4	MRS. MOMINA KHAWAR ALI	1,171,410	8.8264
5	IST. HAJVERI MODARABA	913,900	6.8861
6	MR. FARRUKH HASSAN KHAWAJA	839,040	6.3221
7	MR. MUHAMMAD AYUB KHAN	820,300	6.1809
8	MR. ZARIEN BASHAR	801,350	6.0381

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
	NIL		

FORM OF PROXY

I/We, Mr./Miss/Mrs. ____

S/o, D/o, W/o Mr. ____ in the

District of being member(s) of **HAMID TEXTILE MILLS LIMITED** and holding ordinary shares,

as per Registered Folio No. ____________ hereby appoint Mr./Miss/Mrs. ____________________

S/o, D/o, W/o Mr. __________________________ as per Registered Folio No. ________________

Of ____________ (failing him/her) Mr./Miss/Mrs. __________________ S/o, D/o, W/o __________

___________________ of ___________________ as per Registered Folio No. ________________

as my/our Proxy in my absence to attend for me and my/our behalf at the Annual General Meeting of the

company to be held at registered office, 142, Block D, Model Town, Lahore.
on ______________ (date) at ____________ (time) and at any adjournment thereof.

Signed this ________________ day of October, 20___.

Member's Signature

	WITNESS	WITNESS
Signature	____________________	____________________
Name	____________________	____________________
CNIC	____________________	____________________
Address	____________________	____________________
	____________________	____________________

Revenue Stamp

Folio Number

Notes:

1. Revenue stamp of Rs. 50/- to be affixed.
2. A member entitled to attend at the Annual General Meeting of the Company is entitled to appoint a proxy instead of him/her. No person shall act as proxy (except for corporation) unless he is entitled to present on this own.
3. The instrument appointing a proxy should be signed by the member(s) so or by him/her attorney duly authorized in writing, if the member is a corporation its common seal should be affixed.
4. This proxy form, duly completed, must be deposited at the Company's Registered Office not later than 48 hours before the time of holding the meeting and through their original CNIC/Passport and providing a copy thereon.
5. The signature on the instrument of proxy must agree with the specimen signature recorded with the company.
6. A proxy must be a member of the Company.

تشکیل نیابت داری

عام حصص بمطابق شیئر رجسٹر / فلیو نمبر

تعداد حصص

میں ہم ....

ساکن ....

بطور حمید ٹیکسٹائل ملز لمیٹڈ کے رکن و حامل ....

ساکن: .... یا بصورت دیگرے ....

ساکن: .... کو اپنی جگہ، بروز جمعہ 16 اکتوبر 2026 صبح 11:00 بجے آفس کے پتہ 142 بلاک D، ماڈل ٹاؤن، لاہور میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط مورخہ .... اکتوبر 2026

دستخط

____

گواہی

دستخط ....

نام ....

قومی شناختی کارڈ ....

پتہ ....

دستخط ....

نام ....

قومی شناختی کارڈ ....

پتہ ....

ضروری:

(i) پراکسیز کے مؤثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ سی ڈی سی کے حصص یافتگان اور کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پروکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔

(ii) پروکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(ii) کارپوریٹ اینٹٹی کی صورت میں ڈائریکٹرز کی قرارداد مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پروکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔

حمید ٹیکسٹائل ملز لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ حمید ٹیکسٹائل ملز لمیٹڈ کا انتالیسواں سالانہ اجلاس عام بروز جمعہ 16 اکتوبر 2026 کو صبح 11 بجے واقع رجسٹرڈ آفس 142 ، بلاک D، ماڈل ٹاؤن، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ پچھلے اٹھتیسواں سالانہ اجلاس عام منعقدہ 25 اکتوبر 2025 بروز ہفتہ کی کاروائی کی تصدیق۔

2۔ کمپنی کے 30 جون 2026 کو مختتمہ سال کیلئے آڈٹ شدہ اکاؤنٹس بمعہ ڈائریکٹران، چیئرمین اور آڈیٹروں کی رپورٹس کی وصولی غوروخوض اور منظوری۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ S.R.O 389(1)/2023 بتاریخ 21 مارچ 2023 کے مطابق کمپنی کے مالیاتی گوشواروں تک رسائی مندرجہ ذیل ویب لنک اور فعال QR کوڈ سے حاصل کی جاسکتی ہے۔

https://hamid-textile.com/financial-year-2026/

3۔ 30 جون 2027 کو ختم ہونے والے سال کیلئے آڈیٹران کا تقرر اور اُن کے مشاہرے کا تعین۔ موجودہ آڈیٹران میسرز تبسم سلیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور ریٹائر ہوگئے ہیں اور اہل ہونے کے ناطے، دوبارہ انتخاب کیلئے اپنے آپ کو پیش کرتے ہیں۔

4۔ جناب چیئرپرسن کی اجازت سے دوسرے کاروباری معاملات زیرغور لانا۔

بحکم بورڈ

الف نذیر اللہ کمپنی سیکرٹری   لاہور 25 ستمبر 2026

نوٹس:

1۔ کمپنی کے حصص منتقلی کی کتابیں 14 اکتوبر 2026 تا 17 اکتوبر 2026 (بشمول دونوں دن) بند رہیں گی۔

2۔ کمپنی کے تمام شیئر ہولڈرز اجلاس میں شرکت کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔ کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور نمائندے کے نمونہ دستخط پیش کیے جائیں گے۔

3۔ اجلاس میں شرکت اور ووٹ دینے کا حق رکھنے والا ممبر کسی دوسرے ممبر کو اجلاس میں شرکت کرنے، بات کرنے اور ووٹ دینے کے لیے اپنا پراکسی (نمائندہ) مقرر کرسکتا ہے۔ کوئی ممبر ایک سے زیادہ پراکسی مقرر کرنے کا مجاز نہیں ہوگا۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس ایک سے زیادہ پراکسی فارمز جمع کرائے جاتے ہیں، تو ایسے تمام پراکسی فارمز کو کالعدم قرار دے دیا جائیگا۔ پراکسی کا کمپنی کا رکن ہونا لازمی ہے۔ پراکسی کا باقاعدہ دستخط شدہ دستاویز (انسٹرومنٹ) اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں موصول ہوجانا چاہیے۔ پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ پراکسی فارم کے ساتھ مستفید مالکان (beneficial owners) اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کی جانی چاہیئں۔ پراکسی فارم اس سالانہ رپورٹ کے آخری حصے میں منسلک ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

4۔کمپنی ایکٹ 2017 سیکشن (2)132 کے تحت کمپنی ان ممبران جو ٹوٹل پیڈ اپ کیپٹل کا %10 حصص داران ہیں،اور کسی ایسے شہر کے رہائشی ہیں جہاں سالانہ اجلاس منعقد نہیں ہو رہا انکو کمپنی وڈیو لنک کی سہولت فراہم کر سکتی ہے اور یہ سہولت ممبران کی طرف سے اجلاس سے کم از کم 7 یوم پہلے تحریری درخواست کی وصولی کے عوض فراہم ہو گی۔

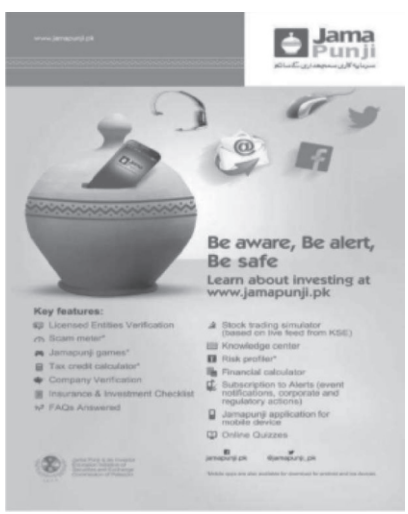
5۔ایس ای سی پی کے جاری کردہ 2021 کے سرکلر نمبر 4 کے مطابق شیئر ہولڈر جو عمومی طور پر اجلاس میں بذریعہ وڈیو لنک شرکت کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ میٹنگ کی تاریخ سے کم از کم سات یوم پہلے کمپنی کے رجسٹرڈ آفس ایڈریس پر بذریعہ کوریئر درج ذیل معلومات شیئر کریں۔

شیئر ہولڈر کا نام	CNIC نمبر	فولیو/CDC اکاؤنٹ نمبر	رجسٹرڈ ای میل ایڈریس	موبائل نمبر

6۔کمپنی ایکٹ 2017 کی شق (6)223 کے مطابق تمام لسٹڈ کمپنیز کو آڈٹ شدہ مالیاتی اسٹیٹمنٹ/نوٹسز کی ترسیل بذریعہ ای میل کی اجازت ہے۔لہذا جو ممبران بذریعہ ای میل آڈٹ شدہ اکاؤنٹس کی وصولی چاہتے ہیں وہ تحریری درخواست ہمراہ موجودہ ای میل ایڈریس ارسال کریں۔فارم کمپنی کی ویب سائٹ www.hamid-textile.com پر موجود ہے۔کمپنی کی سالانہ رپورٹ کمپنی کی ویب سائٹ www.hamid-textile.com پر جاری کر دیئے گئے ہیں۔تاہم طلب کرنے پر کمپنی اپنے حصص داران کو انفرادی طور پر حسابات کی طبع شدہ کاپی درخواست موصول ہونے پر انکے رجسٹرڈ پتہ پر ایک ہفتے کے اندر بلا معاوضہ فراہم کریگی۔

7۔کمپنیز پوسٹل بیلٹ کے ریگولیشنز (2018) کے تحت کسی ایسے ایجنڈا آئیٹم جو کہ ایکٹ کی شق 143 اور 144 کے متعلق ہوں کے ضمن میں حاضر حصص داران، نائب یا بذریعہ ویڈیو کانفرنس شریک ہیں اور کل ووٹنگ پاور کے %10 حصہ کے حامل ہیں اپنا حق رائے دہی بذریعہ پوسٹ یا کسی الیکٹرونک ذرائع سے ریگولیشن میں درج طریقہ کار کے مطابق استعمال کر سکتے ہیں۔

8۔جیسا کہ پہلے درخواست کی گئی ممبران سے دوبارہ گذارش ہے کہ:)) ا۔اگر پہلے Valid شناختی کارڈ فراہم نہیں کیا تو براہ مہربانی درست شناختی کارڈ کی کاپی فراہم کریں تاکہ ممبر کے رجسٹر کو اپ ڈیٹ کیا جاسکے۔)ب(۔پتہ میں تبدیلی کے بارے میں فوری آگاہ کریں۔



Certificate No. SG05/0299